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TITLE 3—THE PRESIDENT

PROCLAMATION 2956

UNITED NATIONS HUMAN RIGHTS DAY, 1951

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the General Assembly of the United Nations proclaimed the Universal Declaration of Human Rights on December 10, 1948, as a common standard of achievement, and has invited Member States to celebrate the anniversary of that event as part of a common effort to bring the Declaration to the attention of all peoples and all nations; and

WHEREAS the United Nations Educational, Scientific and Cultural Organization has likewise urged the observance of December 10 as Human Rights Day for this purpose; and

WHEREAS the fundamental rights and freedoms guaranteed in the Constitution of the United States and in the Constitutions of our several States have been a protection to our people and a source of strength to our Government throughout our history, and our citizens have many times demonstrated their concern for the protection of these rights and freedoms for all peoples:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, having in 1949 designated each December 10 as United Nations Human Rights Day, do hereby call upon the people of the United States to celebrate that day in 1951 by public reading of the Universal Declaration of Human Rights and by other ceremonies designed to enlarge our understanding of its provisions. In so doing, we will join with the citizens of other countries in a common effort to strengthen the forces of freedom, justice, and peace in the world through promoting the universal achievement of the fundamental human rights and freedoms set forth in the Declaration.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 5th day of December in the year of our Lord nineteen hundred and fifty-one, and of the Independence of the United States of America the one hundred and seventy-sixth.

[SEAL]

HARRY S. TRUMAN

By the President:

JAMES E. WEBB,
Acting Secretary of State.

[F. R. Doc. 51-14768; Filed, Dec. 10, 1951; 1:12 p. m.]

EXECUTIVE ORDER 10310

DESIGNATING THE HONORABLE A. CECIL SNYDER TO ACT, UNDER CERTAIN CIRCUMSTANCES, AS JUDGE OF THE DISTRICT COURT OF THE UNITED STATES FOR PUERTO RICO DURING THE YEAR 1952

By virtue of the authority vested in me by section 41 of the act entitled "An Act to provide a civil government for Puerto Rico, and for other purposes", approved March 2, 1917, as amended by section 20 of the act entitled "An Act to revise, codify, and enact into law title 28 of the United States Code entitled 'Judicial Code and Judiciary'", approved June 25, 1948 (62 Stat. 939), I hereby designate and authorize the Honorable A. Cecil Snyder, Associate Justice of the Supreme Court of Puerto Rico, to perform and discharge the duties of the office of Judge of the District Court of the United States for Puerto Rico, and to sign all necessary papers and records as acting judge of the said district court, without extra compensation, in case of vacancy in the office of judge of the said district court, or in case of the death, absence, illness, or other legal disability of the judge thereof, during the year 1952.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 10, 1951.

[F. R. Doc. 51-14770; Filed, Dec. 10, 1951; 3:01 p. m.]

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

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CODIFICATION GUIDE—Con.

EXECUTIVE ORDER 10311

SUSPENDING CERTAIN STATUTORY PROVISIONS RELATING TO EMPLOYMENT IN THE CANAL ZONE

By virtue of the authority vested in me by section 618 of the Department of Defense Appropriation Act, 1952 (Public Law 179, 82d Congress), and section 103 of the Civil Functions Appropriation Act, 1952 (Public Law 203, 82d Congress), relating to certain kinds of employment in the Canal Zone, and deeming such course to be in the public interest, I hereby suspend, from and including the effective date of the said acts, compliance with the provisions of the said sections: *Provided*, that this suspension shall not be construed to affect the

provisions of the said sections relating to the amount of compensation that may be received by persons employed in skilled, technical, clerical, administrative, executive or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company the stock of which is owned wholly or in part by the United States Government.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 10, 1951.

[F. R. Doc. 51-14771; Filed, Dec. 10, 1951; 3:01 p. m.]

EXECUTIVE ORDER 10312

PROVIDING FOR EMERGENCY CONTROL OVER CERTAIN GOVERNMENT AND NON-GOVERNMENT STATIONS ENGAGED IN RADIO COMMUNICATION OR RADIO TRANSMISSION OF ENERGY

WHEREAS section 606 (c) of the Communications Act of 1934, as amended by the act of October 24, 1951, Public Law 200, 82d Congress, provides as follows:

"Upon proclamation by the President that there exists war or a threat of war, or a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States, the President, if he deems it necessary in the interest of national security or defense, may suspend or amend, for such time as he may see fit, the rules and regulations applicable to any or all stations or devices capable of emitting electromagnetic radiations within the jurisdiction of the United States as prescribed by the Commission, and may cause the closing of any station for radio communication, or any device capable of emitting electromagnetic radiations between 10 kilocycles and 100,000 megacycles, which is suitable for use as a navigational aid beyond five miles, and the removal therefrom of its apparatus and equipment, or he may authorize the use or control of any such station or device and/or its apparatus and equipment, by any department of the Government under such regulations as he may prescribe upon just compensation to the owners. The authority granted to the President, under this subsection, to cause the closing of any station or device and the removal therefrom of its apparatus and equipment, or to authorize the use or control of any station or device and/or its apparatus and equipment, may be exercised in the Canal Zone.";

WHEREAS section 305 of the Communications Act of 1934, as amended (47 U. S. C. 305), provides, in part, that stations belonging to and operated by the United States shall use such frequencies as shall be assigned to each or to each class by the President;

WHEREAS the existence of a national emergency has been proclaimed by the President by Proclamation No. 2914 of December 16, 1950;

WHEREAS it is necessary, in the interest of the national security and defense, that plans be prepared and implemented whereby government and non-government radio stations may be silenced or required to be operated in a manner consistent with the needs of national security and defense in the event of hostile action endangering the nation, or imminent threat thereof; and

WHEREAS it is desirable, so far as possible and practicable, to preserve and maintain normal conditions and relationships under which such radio stations are operated while at the same time furthering the expeditious implementation of the said plans:

NOW, THEREFORE, by virtue of the authority vested in me by the said sections 305 and 606 (c) of the Communications Act of 1934, as amended, and by section 1 of the act of August 8, 1950, 64 Stat. 419, and as President of the United States and Commander in Chief of the armed forces of the United States, it is hereby ordered as follows:

SECTION 1. The authority vested in the President by section 606 (c) of the Communications Act of 1934, as amended, is hereby delegated to the Federal Communications Commission to the extent necessary for preparing and putting into effect plans with respect to radio stations as defined in section 5 hereof, except those owned and operated by any department or agency of the United States Government, to minimize the use of the electromagnetic radiations of such stations, in event of attack or of imminent threat thereof, as an aid to the navigation of hostile aircraft, guided missiles, and other devices capable of direct attack upon the United States. The authority so delegated to the Commission shall be exercised subject to the following limitations:

(a) Nothing in this order shall be construed as authorizing the Commission to exercise any authority with respect to the content of station programs.

(b) Nothing in this order shall be construed to authorize the Commission to take over and use any radio station or to remove the apparatus and equipment of any radio station.

(c) The plans of the Commission for exercising its authority under this order shall not become effective until they have been concurred in by the Secretary of Defense and the Chairman of the National Security Resources Board.

SEC. 2. With respect to radio stations belonging to and operated by any department or agency of the United States Government, the head of each government department or agency the stations of which are involved shall, pursuant to the authority vested in the President by section 305 of the Communications Act of 1934, as amended, prepare and put into effect such plans as may be necessary to minimize the use of electromagnetic radiation of these stations in event of attack or imminent threat thereof as an aid to hostile aircraft, guided missiles, and other devices capable of direct attack upon the United States. Such plans shall not become effective until they have been concurred in by the Secretary of Defense and the Chairman of the National Security Resources Board.

SEC. 3. Whenever, pursuant to the provisions of this order, any radio station shall have been required to cease operations or whenever the normal operations of any radio station have been interfered with, such station shall be allowed to resume operations or return to normal operations, as the case may be, at the earliest possible time consistent with the national security. In exercising the authority delegated by this order, due consideration shall be given to civil defense and other national-security requirements.

SEC. 4. The Federal Communications Commission, the Secretary of Defense, and the head of each government department or agency the stations of which are involved, are hereby authorized to issue appropriate rules, regulations, orders, and instructions, and to take such other action as may be necessary, to assure the timely and effective operation of the plans and for carrying out their respective functions hereunder, and are authorized to require full compliance with their respective plans.

SEC. 5. Wherever the words "station" or "radio station" are used in this order, they shall be deemed to include any station for radio communication, and also any device capable of emitting electromagnetic radiations between 10 kilocycles and 100,000 megacycles, suitable for use as a navigational aid beyond five miles.

SEC. 6. (a) Any reference herein to the Federal Communications Commission shall, except for the purpose of issuing rules and regulations, be deemed to include the Chairman or any other member of the Commission as the Commission may designate; any reference to the Secretary of Defense shall be deemed to include the Secretary or such person as he may designate; and any reference to the Chairman of the National Security Resources Board shall be deemed to include the Chairman or such person as he may designate.

(b) Such rules and regulations as the Federal Communications Commission may issue pursuant to this order shall be issued by the Commission, except that the Commission may provide that, in the event of hostile action against the United States or imminent threat thereof, such rules and regulations may be issued by the Chairman.

SEC. 7. Every government department and agency shall give such aid and assistance to the Secretary of Defense, and shall render such cooperation with one another, as may be necessary to accomplish the purpose of this order.

SEC. 8. The Federal Communications Commission is hereby authorized to appoint such advisory committees as it may consider necessary or desirable to advise and assist the Commission in the performance of its duties hereunder.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 10, 1951.

[F. R. Doc. 51-14769; Filed, Dec. 10, 1951; 3:01 p. m.]

RULES AND REGULATIONS

TITLE 7—AGRICULTURE

Chapter VII—Production and Marketing Administration (Agricultural Adjustment), Department of Agriculture

[1023 (Peanuts-52)]

PART 729—PEANUTS

MARKETING QUOTA REGULATIONS FOR PEANUTS OF 1952 CROP

EDITORIAL NOTE: Federal Register Document 51-14169, appearing at page 11946 of the issue for Wednesday, November 28, 1951, has been corrected as follows:

The references to "§ 729.320" in §§ 729.316 and 729.318 (a) have been changed to "§ 729.321," so that both references now read: "pursuant to § 729.321."

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter D—Employment Taxes

[Regs. 127]

PART 408—EMPLOYEE TAX AND EMPLOYER TAX UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT; APPLICABLE ON AND AFTER JANUARY 1, 1951

On June 12, 1951, notice of proposed rule making, regarding regulations relating generally to the employee tax and the employer tax under the Federal Insurance Contributions Act (subchapter A, chapter 9, Internal Revenue Code) with respect to wages paid on or after January 1, 1951, was published in the FEDERAL REGISTER (16 F. R. 5540). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the following regulations are hereby adopted:

SUBPART A—INTRODUCTORY PROVISIONS

Sec.
408.101 Introduction.
408.102 Scope of regulations.
408.103 Extent to which the regulations in this part supersede regulations 106 (Part 402 of this chapter) and Treasury Decision 5823 (Part 408 of this chapter).

SUBPART B—DEFINITIONS

408.201 General definitions and use of terms.
408.202 Employment prior to January 1, 1951.
408.203 Employment after December 31, 1950.
408.204 Who are employees.
408.205 Who are employers.
408.206 Excepted services in general.
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408.208 Agricultural labor.
408.209 Domestic service performed by a student in a local college club, etc.
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408.211 Family employment.
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408.215 Ministers of churches and members of religious orders.
408.216 Religious, charitable, educational, or other organizations exempt from income tax under section 101 (6) of the Internal Revenue Code.
408.217 Railroad industry; employees and and employee representatives under section 1532 of the Internal Revenue Code.
408.218 Organizations exempt from income tax; remuneration less than $50 for calendar quarter.
408.219 Students employed by schools, colleges, or universities.
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408.222 Student nurses and hospital interns.
408.223 Fishing.
408.224 Delivery and distribution of newspapers, shopping news, and magazines.
408.225 International organizations.
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SUBPART C—EMPLOYEE TAX

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SUBPART E—IDENTIFICATION OF TAXPAYERS

408.501 Employers' identification numbers.
408.502 Employees' account numbers.
408.503 Duties of employee with respect to his account number.
408.504 Duties of employer with respect to employees' account numbers.

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408.602 When to report wages.
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408.609 Records.

SUBPART G—ADJUSTMENTS OF EMPLOYEE TAX AND EMPLOYER TAX

408.701 Adjustments in general.
408.702 Adjustment of employee tax.
408.703 Adjustment of employer tax.

SUBPART H—REFUNDS, CREDITS, AND ABATEMENTS

408.801 Refund or credit of overpayments which are not adjustable; abatement of overassessments.
408.802 Special refunds of employee tax on wages over $3,600.
408.803 Credit and refund of taxes paid for period during which liability existed under subchapter B of chapter 9 of the Internal Revenue Code.
408.804 Period of limitation upon refunds and credits.

SUBPART I—MISCELLANEOUS PROVISIONS

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408.901 Assessment of underpayments.
408.902 Jeopardy assessments.
408.903 Period of limitation upon assessment and collection.
408.904 Collection of taxes in Puerto Rico and Virgin Islands.
408.905 Mitigation of effect of statute of limitations in case of related employee tax and self-employment tax.
408.906 Acts to be performed by agents.
408.907 Interest.
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408.909 Additions to tax for delinquent or false returns.
408.910 Promulgation of regulations.

AUTHORITY: §§ 408.101 to 408.910 issued under 53 Stat. 178, 467; 26 U. S. C. 1429, 3791. Statutory provisions interpreted or applied are cited to the text in parentheses.

SUBPART A—INTRODUCTORY PROVISIONS

§ 408.101 *Introduction.* These regulations, which constitute Part 408 of Title 26 of the Code of Federal Regulations, are prescribed under the Federal Insurance Contributions Act (subchapter A, chapter 9, Internal Revenue Code). The applicable provisions of the act, as well as certain applicable provisions of other internal revenue laws of particular importance, will be found in the appropriate places in, and are to be read in connection with, the regulations in this part. References to sections of law are references to the Federal Insurance Contributions Act, unless otherwise expressly indicated. Inasmuch as these regulations constitute Part 408 of Title 26 of the Code of Federal Regulations, each section of the regulations bears a number commencing with 408 and a decimal point. References to sections not preceded by "408." are references to sections of law.

§ 408.102 *Scope of regulations*—(a) *Taxes with respect to wages paid after 1950.* The regulations in this part relate to the employee tax and employer tax with respect to wages paid and received on or after January 1, 1951, imposed by the Federal Insurance Contributions Act.

(b) *Additional subjects covered*—(1) *Adjustments, settlements, and claims.* The regulations in this part relate to adjustments, settlements, and claims for refund, credit, or abatement, made in respect of the taxes with respect to wages paid and received on or after January 1, 1951.

(2) *Identification of taxpayers.* The regulations in this part also relate to the use after December 31, 1950, of account numbers and identification numbers assigned to employees and employers under title VIII of the Social Security Act or the Federal Insurance Contributions Act in force before, on, or after January 1, 1951, and to applications for and assignment of such numbers under the Federal Insurance Contributions Act in force after December 31, 1950.

(3) *Employment.* In addition to employment in the case of remuneration

therefor paid and received on or after January 1, 1951, the regulations in this part also relate to employment performed on or after such date in the case of remuneration therefor paid and received prior to such date.

§ 408.103 *Extent to which the regulations in this part supersede Regulations 106 and Treasury Decision 5823.* The regulations in this part, with respect to the subject matter within the scope thereof, supersede:

(a) Regulations 106, approved February 24, 1940 (Part 402 of this chapter), as amended, relating to the employees' tax and employers' tax under the Federal Insurance Contributions Act in force prior to January 1, 1951; and

(b) Treasury Decision 5823, approved December 27, 1950 (Part 408 of this chapter), relating to the waiver of exemption from taxes under the Federal Insurance Contributions Act by an organization exempt from income tax under section 101 (6) of the Internal Revenue Code.

SUBPART B—DEFINITIONS

SECTION 1432 OF THE ACT—FEDERAL INSURANCE CONTRIBUTIONS ACT

This subchapter [subchapter A, chapter 9, Internal Revenue Code] may be cited as the "Federal Insurance Contributions Act". (Sec. 1432, I. R. C., as added by sec. 607, Social Security Act Amendments of 1939, 53 Stat. 1387.)

SECTION 2 OF THE ACT OF FEBRUARY 10, 1939 (53 STAT. 1)

INTERNAL REVENUE CODE

This act and the internal revenue title incorporated herein shall be known as the Internal Revenue Code and may be cited as "I. R. C.".

SECTION 1426 OF THE ACT

DEFINITIONS

When used in this subchapter—

(a) *Wages.* The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

(1) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to $3,600 with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to $3,600 to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

(2) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical or hospitalization expenses in connection with sickness or accident disability, or (D) death;

(3) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

(4) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

(5) Any payment made to, or on behalf of an employee or his beneficiary (A) from or to a trust exempt from tax under section 165 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6);

(6) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400, or (B) of any payment required from an employee under a State unemployment compensation law;

(7) (A) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business or for domestic service in a private home of the employer;

(B) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than $50 or the employee is not regularly employed by the employer in such quarter of payment. For the purposes of this subparagraph, an employee shall be deemed to be regularly employed by an employer during a calendar quarter only if (i) on each of some twenty-four days during the quarter the employee performs for the employer for some portion of the day domestic service in a private home of the employer, or (ii) the employee was regularly employed (as determined under clause (i)) by the employer in the performance of such service during the preceding calendar quarter. As used in this subparagraph, the term "domestic service in a private home of the employer" does not include service described in subsection (h) (5);

(8) Remuneration paid in any medium other than cash for agricultural labor;

(9) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of sixty-five, if he did not work for the employer in the period for which such payment is made; or

(10) Remuneration paid by an employer in any calendar quarter to an employee for service described in subsection (d) (3) (C) (relating to home workers), if the cash remuneration paid in such quarter by the employer to the employee for such service is less than $50.

(b) *Employment.* The term "employment" means any service performed after 1936 and prior to 1951 which was employment for the purposes of this subchapter under the law applicable to the period in which such service was performed, and any service, of whatever nature, performed after 1950 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (i) of this section); except that, in the case of service performed after 1950, such term shall not include—

(1) (A) Agricultural labor (as defined in subsection (h) of this section) performed in any calendar quarter by an employee, unless the cash remuneration paid for such labor (other than service described in subparagraph (B)) is $50 or more and such labor is performed for an employer by an individual who is regularly employed by such employer to perform such agricultural labor. For the purposes of this subparagraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(i) such individual performs agricultural labor (other than service described in subparagraph (B)) for such employer on a full-time basis on sixty days during such quarter, and

(ii) the quarter was immediately preceded by a qualifying quarter.

For the purposes of the preceding sentence, the term "qualifying quarter" means (I) any quarter during all of which such individual was continuously employed by such employer, or (II) any subsequent quarter which meets the test of clause (i) if, after the last quarter during all of which such individual was continuously employed by such employer, each intervening quarter met the test of clause (i). Notwithstanding the preceding provisions of this subparagraph, an individual shall also be deemed to be regularly employed by an employer during a calendar quarter if such individual was regularly employed (upon application of clauses (i) and (ii)) by such employer during the preceding calendar quarter.

(B) Service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton;

(2) Domestic service performed in a local college club, or local chapter of a college fraternity or sorority, by a student who is enrolled and is regularly attending classes at a school, college, or university;

(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term "service not in the course of the employer's trade or busi-

ness" does not include domestic service in a private home of the employer and does not include service described in subsection (h) (5);

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

(5) Service performed by an individual on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, if the individual is employed on and in connection with such vessel or aircraft when outside the United States;

(6) Service performed in the employ of any instrumentality of the United States, if such instrumentality is exempt from the tax imposed by section 1410 by virtue of any provision of law which specifically refers to such section in granting such exemption;

(7) (A) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

(B) Service performed in the employ of an instrumentality of the United States if such an instrumentality was exempt from the tax imposed by section 1410 on December 31, 1950, except that the provisions of this subparagraph shall not be applicable to—

(i) service performed in the employ of a corporation which is wholly owned by the United States;

(ii) service performed in the employ of a national farm loan association, a production credit association, a Federal Reserve Bank, or a Federal Credit Union;

(iii) service performed in the employ of a State, county, or community committee under the Production and Marketing Administration; or

(iv) service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department;

(C) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed—

(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner, of or to the Congress;

(ii) in the legislative branch;

(iii) in the field service of the Post Office Department unless performed by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

(iv) in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the taking of any census;

(v) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis;

(vi) by any individual as an employee receiving nominal compensation of $12 or less per annum;

(vii) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

(viii) by any individual as a consular agent appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U. S. C., sec. 951);

(ix) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U. S. C., sec. 1052);

(x) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

(xi) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

(xii) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

(xiii) by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system;

(8) Service (other than service which, under subsection (k), constitutes covered transportation service) performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions;

(9) (A) Service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

(B) Service performed in the employ of a religious, charitable, educational, or other organization exempt from income tax under section 101 (6), but this subparagraph shall not apply to service performed during the period for which a certificate, filed pursuant to subsection (1), is in effect if such service is performed by an employee (i) whose signature appears on the list filed by such organization under subsection (1), or (ii) who became an employee of such organization after the calendar quarter in which the certificate was filed;

(10) Service performed by an individual as an employee or employee representative as defined in section 1532;

(11) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101, if the remuneration for such service is less than $50;

(B) Service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;

(12) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(13) Service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(B) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(14) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law;

(15) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States);

(16) (A) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or

(17) Service performed in the employ of an international organization.

(c) *Included and excluded service.* If the services performed during one-half or more of any pay period by an employee for the person employing him constitute employment, all the services of such employee for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employee for the person employing him, where any of such service is excepted by pargaraph (10) of subsection (b).

(d) *Employee.* The term "employee" means—

(1) any officer of a corporation; or

(2) any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

(3) any individual (other than an individual who is an employee under paragraph (1) or (2) of this subsection) who performs services for remuneration for any person—

(A) as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

(B) as a full-time life insurance salesman;

(C) as a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him,

if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed; or

(D) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment in facilities used in connection with the performance of such services (other than in facilities for transportation), or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed.

(e) *State, etc.* (1) The term "State" includes Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico.

(2) United States. The term "United States" when used in a geographical sense includes the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico.

(3) Citizen. An individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States shall not be considered, for the purposes of this section, as a citizen of the United States prior to the effective date specified in section 3810.

(f) *Person.* The term "person" means an individual, a trust or estate, a partnership, or a corporation.

(g) *American vessel and aircraft.* The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State; and the term "American aircraft" means an aircraft registered under the laws of the United States.

(h) *Agricultural labor.* The term "agricultural labor" includes all service performed—

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

(4) (A) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity, but only if such operator produced more than one-half of the commodity with respect to which such service is performed.

(B) In the employ of a group of operators of farms (other than a cooperative organization) in the performance of service described in subparagraph (A), but only if such operators produced all of the commodity with respect to which such service is performed. For the purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than twenty at any time during the calendar quarter in which such service is performed.

(C) The provisions of subparagraphs (A) and (B) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(5) On a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

As used in this section, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(i) *American employer.* The term "American employer" means an employer which is (1) the United States or any instrumentality thereof, (2) an individual who is a resident of the United States, (3) a partnership, if two-thirds or more of the partners are residents of the United States, (4) a trust, if all of the trustees are residents of the United States, or (5) a corporation organized under the laws of the United States or of any State.

(j) *Computation of wages in certain cases.* For purposes of this subchapter, in the case of domestic service described in subsection (a) (7) (B), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this subchapter, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to $1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of subsection (a) (7) (B).

(k) *Covered transportation service*—(1) *Existing transportation systems—General rule.* Except as provided in paragraph (2), all service performed in the employ of a State or political subdivision in connection with its operation of a public transportation system shall constitute covered transportation service if any part of the transportation system was acquired from private ownership after 1936 and prior to 1951.

(2) *Existing transportation systems—Cases in which no transportation employees, or only certain employees, are covered.* Service performed in the employ of a State or political subdivision in connection with the operation of its public transportation system shall not constitute covered transportation service if—

(A) any part of the transportation system was acquired from private ownership after 1936 and prior to 1951, and substantially all service in connection with the operation of the transportation system is, on December 31, 1950, covered under a general retirement system providing benefits which, by reason of a provision of the State constitution dealing specifically with retirement systems of the State or political subdivisions thereof, cannot be diminished or impaired; or

(B) no part of the transportation system operated by the State or political subdivision on December 31, 1950, was acquired from private ownership after 1936 and prior to 1951;

except that if such State or political subdivision makes an acquisition after 1950 from private ownership of any part of its transportation system, then, in the case of any employee who—

(C) became an employee of such State or political subdivision in connection with and at the time of its acquisition after 1950 of such part, and

(D) prior to such acquisition rendered service in employment (including as employment service covered by an agreement under section 218 of the Social Security Act) in connection with the operation of such part of the transportation system acquired by the State or political subdivision,

the service of such employee in connection with the operation of the transportation system shall constitute covered transportation service, commencing with the first day of the third calendar quarter following the calendar quarter in which the acquisition of such part took place, unless on such first day such service of such employee is covered by a general retirement system which does not, with respect to such employee, contain special provisions applicable only to employees described in subparagraph (C).

(3) *Transportation systems acquired after 1950.* All service performed in the employ of a State or political subdivision thereof in connection with its operation of a public transportation system shall constitute covered transportation service if the transportation system was not operated by the State or political subdivision prior to 1951 and, at the time of its first acquisition (after 1950) from private ownership of any part of its transportation system, the State or political subdivision did not have a general retirement system covering substantially all service performed in connection with the operation of the transportation system.

(4) *Definitions.* For the purposes of this subsection—

(A) The term "general retirement system" means any pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision thereof for employees of the State, political subdivision, or both; but such term shall not include such a fund or system which covers only service performed in positions connected with the operation of its public transportation system.

(B) A transportation system or a part thereof shall be considered to have been acquired by a State or political subdivision from private ownership if prior to the acquisition service performed by employees in connection with the operation of the system or part thereof acquired constituted employment under this subchapter or was covered by an agreement made pursuant to section 218 of the Social Security Act and some of such employees became employees of the State or political subdivision in connection with and at the time of such acquisition.

(C) The term "political subdivision" includes an instrumentality of (i) a State, (ii) one or more political subdivisions of a State,

or (iii) a State and one or more of its political subdivisions.

(l) *Exemption of religious, charitable, etc., organizations*—(1) *Waiver of exemption by organization.* An organization exempt from income tax under section 101 (6) may file a certificate (in such form and manner, and with such official, as may be prescribed by regulations made under this subchapter) certifying that it desires to have the insurance system established by title II of the Social Security Act extended to service performed by its employees and that at least two-thirds of its employees concur in the filing of the certificate. Such certificate may be filed only if it is accompanied by a list containing the signature, address, and social security account number (if any) of each employee who concurs in the filing of the certificate. Such list may be amended, at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is in effect, by filing with such official a supplemental list or lists containing the signature, address, and social security account number (if any) of each additional employee who concurs in the filing of the certificate. The list and any supplemental list shall be filed in such form and manner as may be prescribed by regulations made under this subchapter. The certificate shall be in effect (for the purposes of subsection (b) (9) (B) and for the purposes of section 210 (a) (9) (B) of the Social Security Act) for the period beginning with the first day following the close of the calendar quarter in which such certificate is filed, but in no case shall such period begin prior to January 1, 1951. The period for which the certificate is effective may be terminated by the organization, effective at the end of a calendar quarter, upon giving two years' advance notice in writing, but only if, at the time of the receipt of such notice, the certificate has been in effect for a period of not less than eight years. The notice of termination may be revoked by the organization by giving, prior to the close of the calendar quarter specified in the notice of termination, a written notice of such revocation. Notice of termination or revocation thereof shall be filed in such form and manner, and with such official, as may be prescribed by regulations made under this subchapter.

(2) *Termination of waiver period by Commissioner.* If the Commissioner finds that any organization which filed a certificate pursuant to this subsection has failed to comply substantially with the requirements of this subchapter or is no longer able to comply therewith, the Commissioner shall give such organization not less than sixty days' advance notice in writing that the period covered by such certificate will terminate at the end of the calendar quarter specified in such notice. Such notice of termination may be revoked by the Commissioner by giving, prior to the close of the calendar quarter specified in the notice of termination, written notice of such revocation to the organization. No notice of termination or of revocation thereof shall be given under this paragraph to an organization without the prior concurrence of the Federal Security Administrator.

(3) *No renewal of waiver.* In the event the period covered by a certificate filed pursuant to this subsection is terminated by the organization, no certificate may again be filed by such organization pursuant to this subsection. (Sec. 1426, I. R. C., as amended by sec. 606, Social Security Act Amendments of 1939, 53 Stat. 1383; secs. 203 (a), (d), 204, 205, Social Security Act Amendments of 1950, 64 Stat. 525, 528, 536.)

SECTION 3797 (a) AND (b) OF THE INTERNAL REVENUE CODE

DEFINITIONS

(a) When used in this title [Internal Revenue Code] * * *—

* * * * *

(2) *Partnership and partner.* The term "partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this title, a trust or estate or a corporation; and the term "partner" includes a member in such a syndicate, group, pool, joint venture, or organization.

(3) *Corporation.* The term "corporation" includes associations, joint-stock companies, and insurance companies.

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(6) *Fiduciary.* The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

* * * * *

(8) *Shareholder.* The term "shareholder" includes a member in an association, joint-stock company, or insurance company.

* * * * *

(11) *Secretary.* The term "Secretary" means the Secretary of the Treasury.

(12) *Commissioner.* The term "Commissioner" means the Commissioner of Internal Revenue.

(13) *Collector.* The term "collector" means collector of internal revenue.

(14) *Taxpayer.* The term "taxpayer" means any person subject to a tax imposed by this title.

* * * * *

(18) *International organization.* The term "international organization" means a public international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act [Title I, Act of Dec. 29, 1945, 59 Stat. 669]. (Sec. 3797 (a), I. R. C., as amended by sec. 4 (1), Act of Dec. 29, 1945, 59 Stat. 671.)

(b) *Includes and including.* The terms "includes" and "including" when used in a definition contained in this title shall not be deemed to exclude other things otherwise within the meaning of the term defined.

§ 408.201 *General definitions and use of terms.* As used in the regulations in this part—

(a) The terms defined in the above provisions of law shall have the meanings so assigned to them.

(b) "Social Security Act" means the act approved August 14, 1935 (49 Stat. 620), as amended.

(c) "Internal Revenue Code" means the act approved February 10, 1939 (53 Stat., Part 1), entitled "An Act To consolidate and codify the internal revenue laws of the United States," as amended.

(d) "Social Security Act Amendments of 1950" means the act approved August 28, 1950 (64 Stat. 477).

(e) "Federal Insurance Contributions Act" means subchapter A of chapter 9 of the Internal Revenue Code, as amended.

(f) "Act" means the Federal Insurance Contributions Act, as defined in this section.

(g) "Regulations 91" means the regulations approved November 9, 1936 (Part 401 of this chapter), as amended, relating to the employees' tax and the employers' tax under title VIII of the Social Security Act, and such regulations as made applicable to subchapter A of chapter 9 and other provisions of the Internal Revenue Code by Treasury Decision 4885, approved February 11, 1939 (26 CFR, Cum. Supp., p. 5876), together with any amendments to such regulations as so made applicable to the Internal Revenue Code.

(h) "Regulations 106" means the regulations approved February 24, 1940 (Part 402 of this chapter), as amended, relating to the employees' tax and the employers' tax under the Federal Insurance Contributions Act in force prior to January 1, 1951.

(i) "Person" includes an individual, a corporation, a partnership, a trust or estate, a joint-stock company, an association, or a syndicate, group, pool, joint venture or other unincorporated organization or group, through or by means of which any business, financial operation, or venture is carried on. It includes a guardian, committee, trustee, executor, administrator, trustee in bankruptcy, receiver, assignee for the benefit of creditors, conservator, or any person acting in a fiduciary capacity.

(j) "Calendar quarter" means a period of three calendar months ending on March 31, June 30, September 30, or December 31.

(k) "Tax" means the employee tax or the employer tax as respectively defined in this section, or both, except that the term when used in §§ 408.606, 408.607 (b), and 408.909 includes also the income tax collected at source on wages under section 1622 of the Internal Revenue Code.

(l) "Employee tax" means the tax imposed by section 1400 of the Act.

(m) "Employer tax" means the tax imposed by section 1410 of the Act.

(n) "Identification number" means the identifying number of an employer assigned, as the case may be, under the Federal Insurance Contributions Act in force before, on, or after January 1, 1951, or under title VIII of the Social Security Act.

(o) "Account number" means the identifying number of an employee assigned, as the case may be, under the Federal Insurance Contributions Act in force before, on, or after January 1, 1951, or under title VIII of the Social Security Act.

(p) "Social Security Administration" means the operating branch in the Federal Security Agency established by Agency Order No. 3, dated July 16, 1946 (11 F. R. 7942), to perform the functions formerly vested in the Social Security Board.

(q) The cross references in the regulations in this part to other portions of the regulations, when the word "see" is used, are made only for convenience and shall be given no legal effect.

SECTION 1426 (b) OF THE ACT

EMPLOYMENT

The term "employment" means any service performed after 1936 and prior to 1951 which was employment for the purposes of this subchapter under the law applicable to the period in which such service was performed * * *

* * * * *

(Sec. 1426 (b), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 528.)

§ 408.202 *Employment prior to January 1, 1951.* (a) Under the provisions of section 1426 (b) of the Federal Insurance Contributions Act, as amended, effective January 1, 1951, by section 204 (a) of the Social Security Act Amendments of 1950,

services performed after December 31, 1936, and prior to January 1, 1951, constitute employment if such services were employment under the law applicable to the period in which they were performed.

(b) The taxes to which the regulations in this part relate apply with respect to remuneration paid on or after January 1, 1951, for services performed prior to such date, as well as for services performed on or after such date, to the extent that the remuneration and services constitute wages and employment. (See §§ 408.226 and 408.227, relating to wages.)

(c) Whether services performed after December 31, 1936, and prior to January 1, 1940, constitute employment within the meaning of the regulations in this part shall be determined in accordance with the applicable provisions of law and of Part 401 of this chapter (Regulations 91).

(d) Whether services performed after December 31, 1939, and prior to January 1, 1951, constitute employment within the meaning of the regulations in this part shall be determined in accordance with the applicable provisions of law and of Part 402 of this chapter (Regulations 106).

SECTION 1426 (b) OF THE ACT

EMPLOYMENT

The term "employment" means * * * any service, of whatever nature, performed after 1950 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (i) of this section); except that, in the case of service performed after 1950, such term shall not include—

* * * * *

(Sec. 1426 (b), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 528.)

SECTION 3797 (a) (9) OF THE INTERNAL REVENUE CODE

UNITED STATES

The term "United States" when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

SECTION 1426 (e) OF THE ACT

STATE AND UNITED STATES

(1) The term "State" includes Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico.

(2) United States.—The term "United States" when used in a geographical sense includes the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico.

* * * * *

(Sec. 1426 (e), I. R. C., as amended by sec. 204 (b), Social Security Act Amendments of 1950, 64 Stat. 532.)

SECTION 3810 OF THE INTERNAL REVENUE CODE

EFFECTIVE DATE IN CASE OF PUERTO RICO

If the Governor of Puerto Rico certifies to the President of the United States that the legislature of Puerto Rico has, by concurrent resolution, resolved that it desires the extension to Puerto Rico of the provisions of title II of the Social Security Act, the effective date referred to in sections 1426 (e) * * * shall be January 1 of the first calendar year which begins more than ninety days after the date on which the President receives such certification. (Sec. 3810, I. R. C., as added by sec. 208 (b), Social Security Act Amendments of 1950, 64 Stat. 543.)

[NOTE: A certificate of the Governor of Puerto Rico made in conformity with section 3810 of the Internal Revenue Code was received by the President of the United States on September 28, 1950. Accordingly, the effective date refererd to in section 1426 (e) of the Internal Revenue Code is January 1, 1951.]

SECTION 1426 (g) OF THE ACT

AMERICAN VESSEL AND AIRCRAFT

The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State; and the term "American aircraft" means an aircraft registered under the laws of the United States. (Sec. 1426 (g), I. R. C., as added by sec. 606, Social Security Act Amendments of 1939, 53 Stat. 1383, and as amended by sec. 204 (c), (g), Social Security Act Amendments of 1950, 64 Stat. 532, 536.)

SECTION 1426 (i) OF THE ACT

AMERICAN EMPLOYER

The term "American employer" means an employer which is (1) the United States or any instrumentality thereof, (2) an individual who is a resident of the United States, (3) a partnership, if two-thirds or more of the partners are residents of the United States, (4) a trust, if all of the trustees are residents of the United States, or (5) a corporation organized under the laws of the United States or of any State. (Sec. 1426 (i), I. R. C., as added by sec. 1 (b) (1), Act of Mar. 24, 1943, 57 Stat. 46, and as amended by sec. 204 (e), (g), Social Security Act Amendments of 1950, 64 Stat. 533, 536.)

SECTION 1420 (e) OF THE ACT

FEDERAL SERVICE

In the case of the taxes imposed by this subchapter with respect to service performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, the determination whether an individual has performed service which constitutes employment as defined in section 1426 * * * shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agents as such head may designate. * * * The provisions of this subsection shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of this subsection the Secretary of Defense shall be deemed to be the head of such instrumentality. (Sec. 1420 (e), I. R. C., as added by sec. 202 (b), (d), Social Security Act Amendments of 1950, 64 Stat. 524, 525.)

§ 408.203 *Employment after December 31, 1950*—(a) *In general.* Whether services performed on or after January 1, 1951, constitute employment is determined under section 1426 (b) of the act. This section of the regulations in this part, and §§ 408.204 and 408.205 (relating to who are employees and employers), § 408.206 (relating to excepted services in general), § 408.207 (relating to included and excluded services), and §§ 408.208 to 408.225, inclusive (relating to certain classes of excepted services), apply with respect only to services performed on or after January 1, 1951. (For provisions relating to the circumstances under which services which do not constitute employment are nevertheless deemed to be employment, and relating to the circumstances under which services which constitute employment are nevertheless deemed not to be employment, see § 408.207. For provisions relating to services performed prior to January 1, 1951, see § 408.202.)

(b) *Services performed within the United States.* (1) Services performed on or after January 1, 1951, within the United States, that is, within any of the several States, the District of Columbia, the Territory of Alaska or Hawaii, the Virgin Islands, or Puerto Rico, by an employee for his employer, unless specifically excepted by section 1426 (b) of the act, constitute employment within the meaning of the act. Services performed outside the United States, that is, outside the several States, the District of Columbia, the Territories of Alaska and Hawaii, the Virgin Islands, and Puerto Rico (except certain services performed on or in connection with an American vessel or American aircraft, or services performed by a citizen of the United States as an employee for an American employer—see paragraph (c) of this section), do not constitute employment.

(2) With respect to services performed within the United States, the place where the contract of service is entered into and the citizenship or residence of the employee or of the employer are immaterial. Thus, the employee and the employer may be citizens and residents of a foreign country and the contract of service may be entered into in a foreign country, and yet, if the employee under such contract performs services within the United States, there may be to that extent employment within the meaning of the act.

(c) *Services performed outside the United States*—(1) *On or in connection with an American vessel or American aircraft.* (i) Services performed on or after January 1, 1951, by an employee for an employer "on or in connection with" an American vessel or American aircraft outside the United States (that is, the several States, the District of Columbia, the Territories of Alaska and Hawaii, the Virgin Islands, and Puerto Rico) constitute employment, if:

(*a*) The employee is also employed "on and in connection with" such vessel

or aircraft when outside the United States; and

(b) The services are performed under a contract of service, between the employee and the employer, which is entered into within the United States; or during the performance of the contract under which the services are performed and while the employee is employed on the vessel or aircraft it touches at a port within the United States; and

(c) The services are not excepted under section 1426 (b) of the act. (See particularly § 408.223, relating to fishing.)

(ii) An employee performs services on and in connection with the vessel or aircraft if he performs services on such vessel or aircraft which are also in connection with the vessel or aircraft. Services performed on the vessel by employees as officers or members of the crew, or as employees of concessionaires, of the vessel, for example, are performed under such circumstances, since such services are also connected with the vessel. Similarly, services performed on the aircraft by employees as officers or members of the crew of the aircraft are performed on and in connection with such aircraft. Services may be performed on the vessel or aircraft, however, which have no connection with it, as in the case of services performed by an employee while on the vessel or aircraft merely as a passenger in the general sense. For example, the services of a buyer in the employ of a department store while he is a passenger on a vessel are not in connection with the vessel.

(iii) If services are performed by an employee "on and in connection with" an American vessel or American aircraft when outside the United States and conditions (i) (b) and (c) of this subparagraph are met, then the services of that employee performed on or in connection with the vessel or aircraft constitute employment. The expression "on or in connection with" refers not only to services performed on the vessel or aircraft but also to services connected with the vessel or aircraft which are not actually performed on it (for example, shore services performed as officers or members of the crew, or as employees of concessionaires, of the vessel).

(iv) Services performed by a member of the crew or other employee whose contract of service is not entered into within the United States, and during the performance of which and while the employee is employed on the vessel or aircraft it does not touch at a port within the United States, do not constitute employment under this subparagraph, notwithstanding services performed by other members of the crew or other employees on or in connection with the vessel or aircraft may constitute employment.

(v) A vessel includes every description of watercraft, or other contrivance, used as a means of transportation on water. The term "American vessel" means any vessel which is documented (that is, registered, enrolled, or licensed) or numbered in conformity with the laws of the United States. It also includes any vessel which is neither documented nor numbered under the laws of the United States, nor documented under the laws of any foreign country, if the crew of such vessel is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State (including the District of Columbia, the Territory of Alaska or Hawaii, the Virgin Islands, or Puerto Rico). As used herein, a citizen of the United States includes a citizen of the Virgin Islands or of Puerto Rico.

(vi) An aircraft includes every description of craft, or other contrivance, used as a means of transportation through the air. The term "American aircraft" means any aircraft registered under the laws of the United States.

(vii) In the case of an aircraft, the term "port" means an airport. An airport means an area on land or water used regularly by aircraft for receiving or discharging passengers or cargo.

(viii) With respect to services performed outside the United States on or in connection with an American vessel or American aircraft, the citizenship or residence of the employee is immaterial, and the citizenship or residence of the employer is material only in case it has a bearing in determining whether a vessel is an American vessel.

(2) *By a citizen of the United States as an employee for an American employer.* (i) Services performed on or after January 1, 1951, outside the United States by a citizen of the United States as an employee for an American employer constitute employment provided the services are not specifically excepted under section 1426 (b) of the act.

(ii) The term "citizen of the United States" includes a citizen of the Virgin Islands or of Puerto Rico.

(iii) The term "American employer" means an employer which is (a) the United States or any instrumentality thereof, (b) an individual who is a resident of the United States (that is, the several States, the District of Columbia, the Territories of Alaska and Hawaii, the Virgin Islands, and Puerto Rico), (c) a partnership, if two-thirds or more of the partners are residents of the United States, (d) a trust, if all of the trustees are residents of the United States, or (e) a corporation organized under the laws of the United States or of any State (including the District of Columbia, the Territory of Alaska or Hawaii, the Virgin Islands, or Puerto Rico).

SECTION 1426 (d) OF THE ACT

EMPLOYEE

(d) *Employee.* The term "employee" means—

(1) any officer of a corporation; or

(2) any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

(3) any individual (other than an individual who is an employee under paragraph (1) or (2) of this subsection) who performs services for remuneration for any person—

(A) as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

(B) as a full-time life insurance salesman;

(C) as a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed; or

(D) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment in facilities used in connection with the performance of such services (other than in facilities for transportation), or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed. (Sec. 1426 (d), I. R. C., as amended by sec. 205, Social Security Act Amendments of 1950, 64 Stat. 536.)

§ 408.204 *Who are employees*—(a) *In general.* (1) The statutory definition of the term "employee", applicable with respect to services performed on or after January 1, 1951, contains three separate and independent tests for determining who are employees. Paragraphs (b), (c), and (d) of this section relate to the respective tests. Paragraph (b) relates to the test for determining whether an officer of a corporation is an employee of the corporation. Paragraph (c) relates to the test for determining whether an individual is an employee under the usual common law rules. Paragraph (d) relates to the test for determining which individuals in certain occupational groups who are not employees under the usual common law rules are included as employees. If an individual is an employee under any one of the tests, he is to be considered an employee for purposes of the regulations in this part whether or not he is an employee under any of the other tests.

(2) If the relationship of employer and employee exists, the designation or description of the relationship by the parties as anything other than that of employer and employee is immaterial. Thus, if such relationship exists, it is of no consequence that the employee is designated as a partner, coadventurer, agent, independent contractor, or the like.

(3) All classes or grades of employees are included within the relationship of employer and employee. Thus, superintendents, managers, and other superior employees are employees.

(4) Although an individual may be an employee under this section, his services may be of such a nature, or performed under such circumstances, as not to constitute employment within the meaning of the act (see § 408.203).

(b) *Corporate officers.* Generally, an officer of a corporation is an employee of the corporation. However, an officer of a corporation who as such does not perform any services or performs only minor

services and who neither receives nor is entitled to receive, directly or indirectly, any remuneration is not considered to be an employee of the corporation. A director of a corporation in his capacity as such is not an employee of the corporation.

(c) *Common law employees.* (1) Every individual is an employee if under the usual common law rules the relationship between him and the person for whom he performs services is the legal relationship of employer and employee.

(2) Generally such relationship exists when the person for whom services are performed has the right to control and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished. That is, an employee is subject to the will and control of the employer not only as to what shall be done but how it shall be done. In this connection, it is not necessary that the employer actually direct or control the manner in which the services are performed; it is sufficient if he has the right to do so. The right to discharge is also an important factor indicating that the person possessing that right is an employer. Other factors characteristic of an employer, but not necessarily present in every case, are the furnishing of tools and the furnishing of a place to work, to the individual who performs the services. In general, if an individual is subject to the control or direction of another merely as to the result to be accomplished by the work and not as to the means and methods for accomplishing the result, he is an independent contractor. An individual performing services as an independent contractor is not as to such services an employee under the usual common law rules. Individuals such as physicians, lawyers, dentists, veterinarians, construction contractors, public stenographers, and auctioneers, engaged in the pursuit of an independent trade, business, or profession, in which they offer their services to the public, are independent contractors and not employees.

(3) Whether the relationship of employer and employee exists under the usual common law rules will in doubtful cases be determined upon an examination of the particular facts of each case.

(d) *Special classes of employees.* (1) In addition to individuals who are employees under paragraph (b) or (c) of this section, other individuals are employees if they perform services for remuneration under certain prescribed circumstances in the following occupational groups:

(i) As an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services for his principal;

(ii) As a full-time life insurance salesman;

(iii) As a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed; or

(iv) As a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(2) In order for an individual to be an employee under this paragraph, the individual must perform services in an occupation falling within one of the enumerated groups. If the individual does not perform services in one of the designated occupational groups, he is not an employee under this paragraph. An individual who is not an employee under this paragraph may nevertheless be an employee under paragraph (b) or (c) of this section. The language used to designate the respective occupational groups relates to fields of endeavor in which particular designations are not necessarily in universal use with respect to the same service. The designations are addressed to the actual services without regard to any technical or colloquial labels which may be attached to such services. Thus, a determination whether services fall within one of the designated occupational groups depends upon the facts of the particular situation.

(3) The factual situations set forth below are illustrative of some of the individuals falling within each of the above enumerated occupational groups. The illustrative factual situations are as follows:

(i) *Agent-driver or commission-driver.* This occupational group includes agent-drivers or commission-drivers who are engaged in distributing meat or meat products, vegetables or vegetable products, fruit or fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services for their principals. An agent-driver or commission-driver includes an individual who operates his own truck or the truck of the person for whom he performs services, serves customers designated by such person as well as those solicited on his own, and whose compensation is a commission on his sales or the difference between the price he charges his customers and the price he pays to such person for the product or service.

(ii) *Full-time life insurance salesman.* An individual whose entire or principal business activity is devoted to the solicitation of life insurance or annuity contracts, or both, primarily for one life insurance company is a full-time life insurance salesman. Such a salesman ordinarily uses the office space provided by the company or its general agent, and stenographic assistance, telephone facilities, forms, rate books, and advertising materials are usually made available to him without cost. An individual who is engaged in the general insurance business under a contract or contracts of service which do not contemplate that the individual's principal business activity will be the solicitation of life insurance or annuity contracts, or both, for one company, or any individual who devotes only part time to the solicitation of life insurance contracts, including annuity contracts, and is principally engaged in other endeavors, is not a full-time life insurance salesman.

(iii) *Home workers.* This occupational group includes a worker who performs services off the premises of the person for whom the services are performed, according to specifications furnished by such person, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State (including the District of Columbia, the Territory of Alaska or Hawaii, the Virgin Islands, or Puerto Rico) in which such services are performed. The requirement that the performance of services by a home worker be subject to licensing laws in the State in which the services are performed is met by such State requiring either a home-work license on the part of the person for whom the services are performed or a home-work certificate on the part of the individual who performs the services. For provisions relating to remuneration which constitutes wages in the case of a home worker, see § 408.227 (j).

(iv) *Traveling or city salesman.* (*a*) This occupational group includes a city or traveling salesman who is engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person or persons) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations. An agent-driver or commission-driver is not within this occupational group. City or traveling salesmen who sell to retailers or to the others specified, operate off the premises of their principals, and are generally compensated on a commission basis, are within this occupational group. Such salesmen are generally not controlled as to the details of their services or the means by which they cover their territories, but in the ordinary case they are expected to call on regular customers with a fair degree of regularity.

(*b*) In order for a city or traveling salesman to be included within this occupational group, his entire or principal business activity must be devoted to the solicitation of orders for one principal. Thus, the multiple-line salesman generally will not be within this occupational group. However, if the salesman solicits orders primarily for one principal, he is not excluded from this occupational group solely because of side-line sales activities on behalf of one or more other persons. In such a case, the salesman is within this occupational group only with respect to the services performed for the person for whom he

primarily solicits orders and not with respect to the services performed for such other persons. The following examples illustrate the application of the foregoing provisions:

Example (1). Salesman A's principal business activity is the solicitation of orders from retail pharmacies on behalf of the X wholesale drug company. A also occasionally solicits orders for drugs on behalf of the Y and Z companies. A is within this occupational group with respect to his services for the X company but not with respect to his services for either the Y company or the Z company.

Example (2). Salesman B's principal business activity is the solicitation of orders from retail hardware stores on behalf of the R tool company and the S cooking utensil company. B regularly solicits orders on behalf of both companies. B is not within this occupational group with respect to the services performed for either the R company or the S company.

Example (3). Salesman C's principal business activity is the house-to-house solicitation of orders on behalf of the T brush company. C occasionally solicits such orders from retail stores and restaurants. C is not within this occupational group.

(4) (i) The fact that an individual falls within one of the enumerated occupational groups, however, does not make such individual an employee under this paragraph unless (*a*) the contract of service contemplates that substantially all the services to which the contract relates in the particular designated occupation are to be performed personally by such individual, (*b*) such individual has no substantial investment in the facilities used in connection with the performance of such services (other than in facilities for transportation), and (*c*) such services are part of a continuing relationship with the person for whom the services are performed and are not in the nature of a single transaction.

(ii) The term "contract of service", as used in this paragraph, means an arrangement, formal or informal, under which the particular services are performed. The requirement that the contract of service shall contemplate that substantially all the services to which the contract relates in the particular designated occupation are to be performed personally by the individual means that it is not contemplated that any material part of the services to which the contract relates in such occupation will be delegated to any other person by the individual who undertakes under the contract to perform such services.

(iii) The facilities to which reference is made in this paragraph include equipment and premises available for the work or enterprise as distinguished from education, training, and experience, but do not include such tools, instruments, equipment, or clothing, as are commonly or frequently provided by employees. An investment in an automobile by an individual which is used primarily for his own transportation in connection with the performance of services for another person has no significance under this paragraph, since such investment is comparable to outlays for transportation by an individual performing similar services who does not own an automobile. Moreover, the investment in facilities for the transportation of the goods or commodities to which the services relate is to be excluded in determining the investment in a particular case. If an individual has a substantial investment in facilities of the requisite character, he is not an employee within the meaning of this paragraph, since a substantial investment of the requisite character standing alone is sufficient to exclude the individual from the employee concept under this paragraph.

(iv) If the services are not performed as part of a continuing relationship with the person for whom the services are performed, but are in the nature of a single transaction, the individual performing such services is not an employee of such person within the meaning of this paragraph. The fact that the services are not performed on consecutive workdays does not indicate that the services are not performed as part of a continuing relationship.

§ 408.205 *Who are employers.* (a) Every person is an employer if he employs one or more employees. Neither the number of employees employed nor the period during which any such employee is employed is material for the purpose of determining whether the person for whom the services are performed is an employer.

(b) An employer may be an individual, a corporation, a partnership, a trust, an estate, a joint-stock company, an association, or a syndicate, group, pool, joint venture, or other unincorporated organization, group, or entity. A trust or estate, rather than the fiduciary acting for or on behalf of the trust or estate, is generally the employer.

(c) Although a person may be an employer under this section, services performed in his employ may be of such a nature, or performed under such circumstances, as not to constitute employment within the meaning of the act (see § 408.203).

SECTION 1426 (b) OF THE ACT

EMPLOYMENT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

* * * * *

(Sec. 1426 (b), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 528.)

§ 408.206 *Excepted services in general.* (a) Services performed on or after January 1, 1951, by an employee for an employer do not constitute employment for purposes of the tax if they are specifically excepted from employment under any of the numbered paragraphs of section 1426 (b) of the act. Services so excepted do not constitute employment for purposes of the tax even though they are performed within the United States, or are performed outside the United States on or in connection with an American vessel or American aircraft, or are performed outside the United States by a citizen of the United States for an American employer.

(b) The exception attaches to the services performed by the employee and not to the employee as an individual; that is, the exception applies only to the services in an excepted class rendered by the employee.

Example. A is an individual who is employed part time by B to perform services in connection with the ginning of cotton (see § 408.208 (b)). A is also employed by C part time to perform services as a clerk in a feed store owned by him. While no tax liability is incurred with respect to A's remuneration for services performed in the employ of B (the services being excepted from employment), the exception does not embrace the services performed by A in the employ of C which constitute employment and the tax attaches with respect to the wages (see § 408.226) for such services.

(c) This section, § 408.207 (relating to included and excluded services), and §§ 408.208 to 408.225, inclusive (relating to the several classes of excepted services), apply with respect only to services performed on or after January 1, 1951. (For provisions relating to the circumstances under which services which are excepted are nevertheless deemed to be employment, and relating to the circumstances under which services which are not excepted are nevertheless deemed not to be employment, see § 408.207. For provisions relating to services performed prior to January 1, 1951, see § 408.202.)

SECTION 1426 (c) OF THE ACT

INCLUDED AND EXCLUDED SERVICE

If the services performed during one-half or more of any pay period by an employee for the person employing him constitute employment, all the services of such employee for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employee for the person employing him, where any of such service is excepted by paragraph (10) of subsection (b). (Sec. 1426 (c), I. R. C., as amended by sec. 606, Social Security Act Amendments of 1939, 53 Stat. 1383; sec. 204 (f), (g), Social Security Act Amendments of 1950, 64 Stat. 536.)

§ 408.207 *Included and excluded services.* (a) If a portion of the services performed by an employee for an employer during a pay period constitutes employment, and the remainder does not constitute employment, all the services performed by the employee for the employer during the period shall for purposes of the tax be treated alike, that is, either all as included or all as excluded. The time during which the employee performs services which under section 1426 (b) of the act constitute employment, and the time during which he performs services which under such section do not constitute employment, within the pay period, determine whether all the services during the pay period shall be deemed to be included or excluded.

(b) If one-half or more of the employee's time in the employ of a particular person in a pay period is spent

in performing services which constitute employment, then all the services of that employee for that person in that pay period shall be deemed to be employment.

(c) If less than one-half of the employee's time in the employ of a particular person in a pay period is spent in performing services which constitute employment, then none of the services of that employee for that person in that pay period shall be deemed to be employment.

Example. Employee A is employed by B who operates a cotton gin and a store. A's services in connection with the ginning of cotton do not constitute employment, and his services in the store constitute employment. He is paid at the end of each month. During a particular month A works 120 hours at the cotton gin and 80 hours in the store. None of A's services during the month are deemed to be employment, since less than one-half of his services during the month constitutes employment.

During another month A works 75 hours at the cotton gin and 120 hours in the store. All of A's services during the month are deemed to be employment, since one-half or more of his services during the month constitutes employment.

(d) For purposes of this section, a "pay period" is the period (of not more than 31 consecutive calendar days) for which a payment of remuneration is ordinarily made to the employee by the employer. Thus, if the periods for which payments of remuneration are made to the employee by the employer are of uniform duration, each such period constitutes a "pay period." If, however, the periods occasionally vary in duration, the "pay period" is the period for which a payment of remuneration is ordinarily made to the employee by the the employer, even though that period does not coincide with the actual period for which a particular payment of remuneration is made. For example, if an employer ordinarily pays a particular employee for each calendar week at the end of the week, but the employee receives a payment in the middle of the week for the portion of the week already elapsed and receives the remainder at the end of the week, the "pay period" is still the calendar week; or if, instead, that employee is sent on a trip by such employer and receives at the end of the third week a single remuneration payment for three weeks' services, the "pay period" is still the calendar week.

(e) If there is only one period (and such period does not exceed 31 consecutive calendar days) for which a payment of remuneration is made to the employee by the employer, such period is deemed to be a "pay period" for purposes of this section.

(f) The rules set forth in this section do not apply (1) with respect to any services performed by the employee for the employer if the periods for which such employer makes payments of remuneration to the employee vary to the extent that there is no period "for which a payment of remuneration is ordinarily made to the employee", or (2) with respect to any services performed by the employee for the employer if the period for which a payment of remuneration is ordinarily made to the employee by such employer exceeds 31 consecutive calendar days, or (3) with respect to any service performed by the employee for the employer during a pay period if any of such service is excepted by section 1426 (b) (10) of the act (see § 408.217).

(g) If during any period for which a person makes a payment of remuneration to an employee only a portion of the employee's services constitutes employment, but the rules prescribed in this section are not applicable, the tax attaches with respect to such services as constitute employment as defined in section 1426 (b) of the act.

SECTION 1426 (b) (1) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(1) (A) Agricultural labor (as defined in subsection (h) of this section) performed in any calendar quarter by an employee, unless the cash remuneration paid for such labor (other than service described in subparagraph (B)) is $50 or more and such labor is performed for an employer by an individual who is regularly employed by such employer to perform such agricultural labor. For the purposes of this subparagraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(i) such individual performs agricultural labor (other than service described in subparagraph (B)) for such employer on a full-time basis on sixty days during such quarter, and

(ii) the quarter was immediately preceded by a qualifying quarter.

For the purposes of the preceding sentence, the term "qualifying quarter" means (I) any quarter during all of which such individual was continuously employed by such employer, or (II) any subsequent quarter which meets the test of clause (i) if, after the last quarter during all of which such individual was continuously employed by such employer, each intervening quarter met the test of clause (i). Notwithstanding the preceding provisions of this subparagraph, an individual shall also be deemed to be regularly employed by an employer during a calendar quarter if such individual was regularly employed (upon application of clauses (i) and (ii)) by such employer during the preceding calendar quarter.

(B) Service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton; (Sec. 1426 (b) (1), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 528.)

SECTION 1426 (h) OF THE ACT

AGRICULTURAL LABOR

The term "agricultural labor" includes all service performed—

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

(4) (A) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed.

(B) In the employ of a group of operators of farms (other than a cooperative organization) in the performance of service described in subparagraph (A), but only if such operators produced all of the commodity with respect to which such service is performed. For the purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than twenty at any time during the calendar quarter in which such service is performed.

(C) The provisions of subparagraphs (A) and (B) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(5) On a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

As used in this section, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards. (Sec. 1426 (h), I. R. C., as added by sec. 606, Social Security Act Amendments of 1939, 53 Stat. 1383, and as amended by sec. 204 (d), (g), Social Security Act Amendments of 1950, 64 Stat. 532, 536.)

SECTION 15 (g) OF THE AGRICULTURAL MARKETING ACT, AS AMENDED

As used in this Act, the term "agricultural commodity" includes * * * crude gum (oleoresin) from a living tree, and the following products as processed by the original producer of the crude gum (oleoresin) from which derived: Gum spirits of turpentine and gum rosin, as defined in the Naval Stores Act, approved March 3, 1923. (Sec. 15 (g), Act of June 15, 1929, 46 Stat. 18, as added by sec. 3, Act of Mar. 4, 1931, 46 Stat. 1550, 12 U. S. C. 1141j (g).)

SECTION 2 (c) AND (h) OF THE NAVAL STORES ACT

(c) "Gum spirits of turpentine" means spirits of turpentine made from gum (oleoresin) from a living tree.

(h) "Gum rosin" means rosin remaining after the distillation of gum spirits of turpentine. (Sec. 2 (c), (h), Act of Mar. 3, 1923, 42 Stat. 1435, 7 U. S. C. 92 (c), (h).)

§ 408.208 *Agricultural labor.*—(a) *In general.* This section relates to services performed by an employee for an employer which constitute "agricultural labor" as defined in section 1426 (h) of the act. Paragraph (b) of this section relates to agricultural labor which is categorically excepted from employment under section 1426 (b) (1) (B) of the

act. Paragraph (c) of this section relates to agricultural labor which is excepted from employment under section 1426 (b) (1) (A) of the act unless performed under the conditions therein prescribed. Paragraph (d) of this section relates to the definition of the term "agricultural labor."

(b) *Services excepted under section 1426 (b) (1) (B) of the act.* (1) The following services are excepted from employment under section 1426 (b) (1) (B) of the act:

(i) Services performed in connection with the production or harvesting of crude gum (oleoresin) from a living tree or the processing of such crude gum into gum spirits of turpentine and gum rosin, provided such processing is carried on by the original producer of such crude gum; and

(ii) Services performed in connection with the ginning of cotton.

(2) The amount of the remuneration paid for such services and the circumstances under which the services are performed are immaterial for the purposes of the exception under section 1426 (b) (1) (B).

(c) *Services excepted under section 1426 (b) (1) (A) of the act.* (1) As used in this paragraph, the term "agricultural labor" does not include services performed in connection with the ginning of cotton or in connection with the production or harvesting of those oleoresinous products described in paragraph (b) of this section.

(2) Agricultural labor performed by an employee for an employer in a calendar quarter is excepted from employment under section 1426 (b) (1) (A) of the act unless—

(i) The cash remuneration paid for agricultural labor performed by the employee for the employer in the calendar quarter is $50 or more; and

(ii) Such employee is regularly employed in the calendar quarter by such employer to perform such agricultural labor.

Unless the tests set forth in both (i) and (ii) of this subparagraph are met, the services are excepted from employment under section 1426 (b) (1) (A).

(3) The test relating to cash remuneration of $50 or more is based on the remuneration earned during a calendar quarter rather than on the remuneration paid in a calendar quarter. However, for purposes of determining whether the test is met, it is also required that the remuneration be paid, although it is immaterial when the remuneration is paid. Furthermore, in determining whether $50 or more has been paid for agricultural labor performed in a calendar quarter, only cash remuneration for agricultural labor shall be taken into account. (Since services performed in connection with the ginning of cotton or in connection with the production or harvesting of those oleoresinous products described in paragraph (b) of this section do not constitute agricultural labor for the purposes of this paragraph, any remuneration paid for such services is disregarded in determining whether the cash-remuneration test is met.) The term "cash remuneration" includes checks and other monetary media of exchange. Remuneration paid in any other medium, such as lodging, food, clothing, farm products, or other goods or commodities, is disregarded in determining whether the cash-remuneration test is met. For provisions relating to the exclusion from wages of remuneration paid in any medium other than cash for agricultural labor, see § 403.227 (g).

(4) For the purposes of this paragraph, an individual is deemed to be regularly employed by an employer during a calendar quarter (including the first quarter of 1951) if:

(i) Such individual performs agricultural labor for such employer on a full-time basis on at least 60 days (whether or not consecutive) during such calendar quarter; and

(ii) The calendar quarter was immediately preceded by a qualifying quarter.

An individual shall also be deemed to be regularly employed by an employer during a calendar quarter if such individual was regularly employed (upon application of (i) and (ii) of this subparagraph) by such employer during the preceding calendar quarter.

(5) A qualifying quarter is (i) any calendar quarter during all of which the individual was continuously employed by the employer, or (ii) any subsequent calendar quarter during which such individual performs agricultural labor for such employer on a full-time basis on at least 60 days during such quarter if, after the last calendar quarter during which such individual was continuously employed by such employer, such individual performs agricultural labor for such employer on a full-time basis on at least 60 days during each intervening calendar quarter. A calendar quarter prior to the last calendar quarter of 1950 may not be a qualifying quarter.

(6) The requirement that an employee be continuously employed by an employer during all of a calendar quarter is met by the existence of the employer-employee relationship throughout an entire calendar quarter, whether or not the employee does any work for the employer during the calendar quarter. Moreover, a calendar quarter in which the employee is continuously employed by the employer is a qualifying quarter, irrespective of whether the employee is employed to perform agricultural labor. For example, the calendar quarter in which the employee is continuously employed by the employer to perform services in connection with the ginning of cotton or any business conducted by the employer is a qualifying quarter.

(7) In order to satisfy the requirement of the performance of agricultural labor on a full-time basis on at least 60 days during a calendar quarter, the arrangement under which an employee performs agricultural labor for an employer must contemplate the performance of such labor on a full-time basis, and the employee must perform agricultural labor for the employer on at least 60 days during the calendar quarter. Thus, the requirement of the performance of agricultural labor on a full-time basis relates to the arrangement under which the employee is engaged to perform agricultural labor, whereas the requirement of the performance of agricultural labor on at least 60 days during a calendar quarter relates to the performance of agricultural labor by the employee on the required number of days during such calendar quarter.

(8) An arrangement for the performance of agricultural labor on a full-time basis means an arrangement under which an employee is engaged to perform agricultural labor for a single employer on the basis of a full workday. The term "full workday" as used in the preceding sentence has reference to the full workday prevailing in the particular locality for the type of agricultural occupation in which the employee is engaged. The fact that an employee who performs agricultural labor primarily for one employer also performs other services of an incidental character for such employer or any incidental services for some other person does not prevent such employee from being engaged on a full-time basis in the performance of agricultural labor for such employer.

Example. A, the operator of a dairy farm, employs B, a schoolboy, for two hours each morning before school and two hours each afternoon after school to assist him in the operation of the dairy farm. In addition, B works for A ten hours each Saturday in the performance of the same type of work. The full workday in the particular locality for a dairy farm worker is a period of eight hours.

Each full calendar quarter B remains in the employ of A constitutes a qualifying quarter for the reason that B is continuously employed by A in each such quarter. Since under the arrangement B is engaged to perform agricultural labor for A on the basis of a full workday only on Saturdays, only the Saturdays constitute days on which B performs agricultural labor for A on a full-time basis. The other days of the week do not constitute days on which B performs agricultural labor for A on a full-time basis, since the arrangement contemplates the performance of agricultural labor on such days on less than a full workday.

(9) In determining whether an employee has performed agricultural labor on at least 60 days during a calendar quarter, there shall be counted as one day—

(i) Any day or portion thereof on which the employee actually performs such labor; and

(ii) Any day or portion thereof on which the employee does not perform agricultural labor but with respect to which cash remuneration is paid or payable to the employee for such labor, such as a day on which the employee is sick or on vacation.

An employee who on a particular day reports for work and at the direction of his employer, holds himself in readiness to perform agricultural labor shall be considered to be engaged in the actual performance of such labor on that day. For the purposes of this section, a day is a period of 24 hours commencing at midnight and ending at midnight.

(10) An individual who is regularly employed in a calendar quarter under the test set forth in subdivisions (i) and (ii) of subparagraph (4) of this paragraph is also considered to be regularly employed in the next succeeding calendar quarter, irrespective of whether he performs any service during such suc-

ceeding quarter. Thus, such individual will continue to be regularly employed until the end of such succeeding calendar quarter, even though he does not perform agricultural labor on a full-time basis on 60 days during such quarter. If in such succeeding calendar quarter such individual does not perform agricultural labor on a full-time basis on at least 60 days, such individual must meet the test set forth in subdivisions (i) and (ii) of subparagraph (4) of this paragraph in order to qualify as regularly employed in any subsequent calendar quarter.

(11) The application of certain of the provisions of paragraph (c) of this section may be illustrated by the following example:

Example. C, who operates a truck farm and a general store, hired D on September 15, 1950, to work in his store for the remainder of the year.

The calendar quarter, October 1 through December 31, 1950, is a qualifying quarter by virtue of the existence of the employer-employee relationship throughout the entire calendar quarter. The fact that the quarter was before January 1, 1951, the effective date of the inclusion of certain agricultural labor as employment, does not prevent such quarter from being a qualifying quarter. (The last calendar quarter of 1950 is the first calendar quarter which may constitute a qualifying quarter.) The nature of the work performed by D in the qualifying quarter is immaterial. D might have worked on C's farm or in any other business conducted by C during that period. In fact, the quarter would constitute a qualifying quarter even though D did no work for C during the quarter, if the employer-employee relationship existed throughout the calendar quarter.

On January 1, 1951, D was transferred from C's store to his farm to perform general farm work. The arrangement contemplates that D will devote eight hours on each workday to the performance of agricultural labor for C. An 8-hour day constitutes the full workday prevailing in the locality for general farm work. In the calendar quarter, January 1 through March 31, 1951, D performs agricultural labor for C on 65 days. D is paid $390 in cash for agricultural labor performed for C in the calendar quarter.

D is regularly employed by C in the first calendar quarter of 1951 in that he performed agricultural labor on a full-time basis on at least 60 days during such calendar quarter and such quarter was immediately preceded by a qualifying quarter. The services performed by D during the calendar quarter constitute employment (unless excepted under some provision of section 1426 of the act other than section 1426 (b) (1)) because D is regularly employed by C in the calendar quarter and is paid $50 or more for agricultural labor performed for C in the calendar quarter. The cash remuneration paid D for services performed during the calendar quarter would constitute wages and be subject to the employer and employee taxes unless such remuneration is excluded from wages under some provision of section 1426 (a) of the act.

In the next calendar quarter, April 1 through June 30, 1951, D performs agricultural labor for C on 45 days and is paid $270 in cash for the labor performed on those days.

D is regularly employed by C in the second calendar quarter of 1951, even though he worked on less than 60 days in the quarter, by reason of the fact that D was regularly employed by C in the preceding calendar quarter. The services performed in the second calendar quarter also constitute employment unless excepted under some other provision of section 1426 of the act. The cash remuneration paid for such services is likewise subject to the employer and employee taxes unless excluded from wages by virtue of some provision of section 1426 (a) of the act.

In the quarter, July 1, through September 30, 1951, D performs agricultural labor for C on a full-time basis on 60 days and is paid $360 in cash for the labor performed in that quarter.

The determination whether D is regularly employed by C in the third calendar quarter of 1951 depends upon whether the employer-employee relationship continued throughout the calendar quarter, April 1 through June 30, 1951. If the employer-employee relationship did not continue throughout the second calendar quarter of 1951, D lost his standing as regularly employed for the third calendar quarter of 1951 when he worked on less than 60 days in the preceding calendar quarter. In that case, D will not be regularly employed until after he serves another qualifying quarter, by being continuously employed for a full calendar quarter, and performs agricultural labor for the same employer on a full-time basis on at least 60 days during the next succeeding calendar quarter. However, if the employer-employee relationship existed between C and D throughout the second calendar quarter of 1951, such quarter would constitute a qualifying quarter and D would be regularly employed by C in the third calendar quarter of 1951 by reason of the fact that he performed agricultural labor for C on a full-time basis on 60 days during such third calendar quarter. In that case, D's services for C in the third calendar quarter of 1951 would constitute employment, unless otherwise excepted, by reason of the fact that he was regularly employed to perform agricultural labor in such quarter and was paid $50 or more for agricultural labor performed in the quarter. Moreover, the cash remuneration paid for such services would be subject to the taxes unless such remuneration is excluded from wages.

(d) *Definition*—(1) *In general.* (i) The term "agricultural labor" as defined in section 1426 (h) of the act includes services of the character described in subparagraphs (2), (3), (4), (5), and (6) of this paragraph. In general, however, the term does not include services performed in connection with forestry, lumbering, or landscaping.

(ii) The term "farm" as used in this part includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, orchards, and such greenhouses and other similar structures as are used primarily for the raising of agricultural or horticultural commodities. Greenhouses and other similar structures used primarily for other purposes (for example, display, storage, and fabrication of wreaths, corsages, and bouquets) do not constitute "farms".

(2) *Services described in section 1426 (h) (1) of the act.* (i) Services performed on a farm by an employee of any person in connection with any of the following activities constitute agricultural labor:

(*a*) The cultivation of the soil;

(*b*) The raising, shearing, feeding, caring for, training, or management of livestock, bees, poultry, fur-bearing animals, or wildlife; or

(*c*) The raising or harvesting of any other agricultural or horticultural commodity.

(ii) Services performed in connection with the production or harvesting of maple sap, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry constitute agricultural labor only if such services are performed on a farm. Thus, services performed in connection with the operation of a hatchery, if not operated as part of a poultry or other farm, do not constitute agricultural labor. Services performed in the processing (as distinguished from the gathering) of maple sap into maple sirup or maple sugar do not constitute agricultural labor, even though such services are performed on a farm.

(3) *Services described in section 1426 (h) (2) of the act.* (i) The following services performed by an employee in the employ of the owner or tenant or other operator of one or more farms constitute agricultural labor, provided the major part of such services is performed on a farm:

(*a*) Services performed in connection with the operation, management, conservation, improvement, or maintenance of any of such farms or its tools or equipment; or

(*b*) Services performed in salvaging timber, or clearing land of brush and other debris, left by a hurricane.

(ii) The services described in subdivision (i) (*a*) of this subparagraph may include, for example, services performed by carpenters, painters, mechanics, farm supervisors, irrigation engineers, bookkeepers, and other skilled or semiskilled workers, which contribute in any way to the conduct of the farm or farms, as such, operated by the person employing them, as distinguished from any other enterprise in which such person may be engaged.

(iii) Since the services described in this subparagraph must be performed in the employ of the owner or tenant or other operator of the farm, the term "agricultural labor" does not include services performed by employees of a commercial painting concern, for example, which contracts with a farmer to renovate his farm properties.

(4) *Services described in section 1426 (h) (3) of the act.* Services performed by an employee in the employ of any person in connection with any of the following operations constitute agricultural labor without regard to the place where such services are performed:

(i) The ginning of cotton;

(ii) The operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying or storing water for farming purposes; or

(iii) The production or harvesting of crude gum (oleoresin) from a living tree or the processing of such crude gum into gum spirits of turpentine and gum rosin, provided such processing is carried on by the original producer of such crude gum.

(5) *Services described in section 1426 (h) (4) of the act.* (i) Services performed by an employee in the handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market,

of any agricultural or horticultural commodity constitute agricultural labor if:

(a) Such services are performed by the employee in the employ of an operator of a farm or in the employ of a group of operators of farms (other than a cooperative organization);

(b) Such services are performed with respect to the commodity in its unmanufactured state; and

(c) Such operator produced more than one-half of the commodity with respect to which such services are performed during the pay period, or such group of operators produced all of the commodity with respect to which such services are performed during the pay period.

(ii) The term "operator of a farm" as used in this subparagraph means an owner, tenant, or other person, in possession of a farm and engaged in the operation of such farm.

(iii) The services described in this subparagraph do not constitute agricultural labor if performed in the employ of a cooperative organization. The term "organization" includes corporations, joint-stock companies, and associations which are treated as corporations under the Internal Revenue Code. For the purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than 20 at any time during the calendar quarter in which the services involved are performed.

(iv) Processing services which change the commodity from its raw or natural state do not constitute agricultural labor. For example, the extraction of juices from fruits or vegetables is a processing operation which changes the character of the fruits or vegetables from their raw or natural state and, therefore, does not constitute agricultural labor. On the other hand, services rendered in the cutting and drying of fruits or vegetables are processing operations which do not change the character of the fruits or vegetables and, therefore, constitute agricultural labor, if the other requisite conditions are met. Services performed with respect to a commodity after its character has been changed from its raw or natural state by a processing operation do not constittue agricultural labor.

(v) The term "commodity" refers to a single agricultural or horticultural product, for example, all apples are to be treated as a single commodity, while apples and peaches are to be treated as two separate commodities. The services with respect to each such commodity are to be considered separately in determining whether the condition set forth in subdivision (i) (c) of this subparagraph has been satisfied. The portion of the commodity produced by an operator or group of operators with respect to which the services described in this subparagraph are performed by a particular employee shall be determined on the basis of the pay period in which such services were performed by such employee.

(vi) The services described in this subparagraph do not include services performed in connection with commercial canning or commercial freezing or in connection with any commodity after its delivery to a terminal market for distribution for consumption. Moreover, since the services described in this subparagraph must be rendered in the actual handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, of the commodity, such services do not, for example, include services performed as stenographers, bookkeepers, clerks, and other office employees, even though such services may be in connection with such activities. However, to the extent that the services of such individuals are performed in the employ of the owner or tenant or other operator of a farm and are rendered in major part on a farm, they may be within the provisions of subparagraph (3) of this paragraph.

(6) *Services described in section 1426 (h) (5) of the act.* (i) Services not in the course of the employer's trade or business (see § 408.210) or domestic service in a private home of the employer (see § 408.227 (h)) constitute agricultural labor if such services are performed on a farm operated for profit. The determination whether such services performed on a farm operated for profit constitute employment is to be made under this section rather than under § 408.210 or § 408.227 (h).

(ii) Generally, a farm is not operated for profit if it is occupied by the employer primarily for residential purposes, or is used primarily for the pleasure of the employer or his family such as for the entertainment of guests or as a hobby of the employer or his family.

SECTION 1426 (b) (2) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(2) Domestic service performed in a local college club, or local chapter of a college fraternity or sorority, by a student who is enrolled and is regularly attending classes at a school, college, or university; (Sec. 1426 (b) (2), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 529.)

§ 408.209 *Domestic service performed by a student in a local college club, etc.* (a) Services of a household nature performed in or about the club rooms or house of a local college club, or in or about the club rooms or house of a local chapter of a college fraternity or sorority, by a student who is enrolled and regularly attending classes at a school, college, or university are excepted from employment. For the purposes of this exception, the statutory tests are the type of services performed by the employee, the character of the place where the services are performed, and the status of the employee as a student enrolled and regularly attending classes at a school, college, or university.

(b) In general, services of a household nature in or about the club rooms or house of a local college club or local chapter of a college fraternity or sorority include services rendered by cooks, waiters, butlers, maids, janitors, laundresses, furnacemen, handymen, gardeners, housekeepers, and housemothers.

(c) A local college club or local chapter of a college fraternity or sorority does not include an alumni club or chapter. If the club rooms or house of a local college club or local chapter of a college fraternity or sorority is used primarily for the purposes of supplying board or lodging to students or the public as a business enterprise, the services performed therein are not within the exception.

(d) The term "school, college, or university" within the meaning of this exception is to be taken in its commonly or generally accepted sense.

(e) Services of a household nature are not within the exception if performed in or about rooming or lodging houses, boarding houses, clubs (except local college clubs), hotels, or commercial establishments.

(f) For provisions relating to domestic service in a private home of the employer, see § 408.227 (h).

SECTION 1426 (b) (3) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term "service not in the course of the employer's trade or business" does not include domestic service in a private home of the employer and does not include service described in subsection (h) (5); (Sec. 1426 (b) (3), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 529.)

§ 408.210 *Services not in the course of employer's trade or business.* (a) Services not in the course of the employer's trade or business performed by an employee for an employer in a calendar quarter are excepted from employment unless—

(1) The cash remuneration paid for such services performed by the employee for the employer in the calendar quarter is $50 or more; and

(2) Such employee is regularly employed in the calendar quarter by such employer to perform such services.

Unless the tests set forth in both subparagraphs (1) and (2) of this paragraph are met the services are excepted from employment.

(b) The term "services not in the course of the employer's trade or business" includes services that do not promote or advance the trade or business of the employer. Services performed for a corporation do not come within the exception.

(c) The test relating to cash remuneration of $50 or more is based on the remuneration earned during a calendar quarter rather than on the remuneration

paid in a calendar quarter. However, for purposes of determining whether the test is met, it is also required that the remuneration be paid, although it is immaterial when the remuneration is paid. Furthermore, in determining whether $50 or more has been paid for services not in the course of the employer's trade or busines, only cash remuneration for such services shall be taken into account. The term "cash remuneration" includes checks and other monetary media of exchange. Remuneration paid in any other medium, such as lodging, food, or other goods or commodities, is disregarded in determining whether the cash-remuneration test is met.

(d) For the purposes of this exception, an individual is deemed to be regularly employed by an employer during a calendar quarter only if:

(1) Such individual performs services not in the course of the employer's trade or business for such employer for some portion of the day on at least 24 days (whether or not consecutive) during such calendar quarter; or

(2) Such individual was regularly employed (as determined under subparagraph (1) of this paragraph) by such employer in the performance of services not in the course of the employer's trade or business during the preceding calendar quarter (including the last calendar quarter of 1950).

(e) In determining whether an employee has performed services not in the course of the employer's trade or business on at least 24 days during a calendar quarter, there shall be counted as one day—

(1) Any day or portion thereof on which the employee actually performs such services; and

(2) Any day or portion thereof on which the employee does not perform services of the prescribed character but with respect to which cash remuneration is paid or payable to the employee for such services, such as a day on which the employee is sick or on vacation.

An employee who on a particular day reports for work and, at the direction of his employer, holds himself in readiness to perform services not in the course of the employer's trade or business shall be considered to be engaged in the actual performance of such services on that day. For the purposes of this exception, a day is a period of 24 hours commencing at midnight and ending at midnight.

(f) Services not in the course of the employer's trade or business performed on a farm operated for profit, domestic service in a private home of the employer performed on a farm operated for profit, and domestic service in a private home of the employer performed other than on a farm operated for profit are not within the exception. For provisions relating to services not in the course of the employer's trade or business performed on a farm operated for profit and domestic service in a private home of the employer performed on a farm operated for profit, see § 408.208. For provisions relating to domestic service in a private home of the employer performed other than on a farm operated for profit, see § 408.227 (h).

(g) For provisions relating to the exclusion from wages of remuneration paid in any medium other than cash for services not in the course of the employer's trade or business, see § 408.227 (g).

SECTION 1426 (b) (4) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother; (Sec. 1426 (b) (4), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 529.)

§ 408.211 *Family employment.* (a) Certain services are excepted from employment because of the existence of a family relationship between the employee and the individual employing him. The exceptions are as follows:

(1) Services performed by an individual in the employ of his or her spouse;

(2) Services performed by a father or mother in the employ of his or her son or daughter; and

(3) Services performed by a son or daughter under the age of 21 in the employ of his or her father or mother.

(b) Under paragraph (a) (1) and (2) of this section, the exception is conditioned solely upon the family relationship between the employee and the individual employing him. Under paragraph (a) (3) of this section, in addition to the family relationship, there is a further requirement that the son or daughter shall be under the age of 21, and the exception continues only during the time that such son or daughter is under the age of 21.

(c) Services performed in the employ of a corporation are not within the exception. Services performed in the employ of a partnership are not within the exception unless the requisite family relationship exists between the employee and each of the partners comprising the partnership.

SECTION 1426 (b) (5) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(5) Service performed by an individual on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, if the individual is employed on and in connection with such vessel or aircraft when outside the United States; (Sec. 1426 (b) (5), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 529.)

§ 408.212 *Non-American vessel or aircraft.* (a) Certain services performed within the United States "on or in connection with" a vessel not an American vessel, or "on or in connection with" an aircraft not an American aircraft, are excepted from employment. In order to be excepted, the services must be performed by an employee who is also employed "on and in connection with" the vessel or aircraft when outside the United States.

(b) An employee performs services on and in connection with the vessel or aircraft if he performs services on such vessel or aircraft when outside the United States which are also in connection with the vessel or aircraft. Services performed on the vessel outside the United States by employees as officers or members of the crew, or as employees of concessionaires, of the vessel, for example, are performed under such circumstances, since such services are also connected with the vessel. Similarly, services performed on the aircraft outside the United States by employees as officers or members of the crew of the aircraft are performed on and in connection with such aircraft. Services may be performed on the vessel or aircraft, however, which have no connection with it, as in the case of services performed by an employee while on the vessel or aircraft merely as a passenger in the general sense. For example, the services of a buyer in the employ of a department store while he is a passenger on a vessel are not in connection with the vessel.

(c) The expression "on or in connection with" refers not only to services performed on the vessel or aircraft but also to services connected with the vessel or aircraft which are not actually performed on it (for example, shore services performed as officers or members of the crew, or as employees of concessionaires, of the vessel).

(d) Services performed outside the United States on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, by a citizen of the United States as an employee for an American employer are excepted from employment, if the employee is employed on and in connection with such vessel or aircraft when outside the United States. Services performed outside the United States on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, either by an employee who is not a citizen of the United States or for an employer who is not an American employer do not constitute employment in any event. (For provisions relating to services performed outside the United States which constitute employment, see § 408.203 (c).)

(e) The citizenship or residence of the employee and the place where the contract of service is entered into are immaterial for purposes of this exception. The citizenship or residence of the employer is material only in case it has a bearing in determining whether the vessel is an American vessel. (For definitions of "vessel", "American vessel", "aircraft", "American aircraft", "citizen of the United States", and "American employer", see § 408.203 (c).)

SECTION 1426 (b) (6) AND (7) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(6) Service performed in the employ of any instrumentality of the United States, if such instrumentality is exempt from the tax imposed by section 1410 by virtue of any provision of law which specifically refers to such section in granting such exemption;

(7) (A) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

(B) Service performed in the employ of an instrumentality of the United States if such an instrumentality was exempt from the tax imposed by section 1410 on December 31, 1950, except that the provisions of this subparagraph shall not be applicable to—

(i) service performed in the employ of a corporation which is wholly owned by the United States;

(ii) service performed in the employ of a national farm loan association, a production credit association, a Federal Reserve Bank, or a Federal Credit Union;

(iii) service performed in the employ of a State, county, or community committee under the Production and Marketing Administration; or

(iv) service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department;

(C) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed—

(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner, of or to the Congress;

(ii) in the legislative branch;

(iii) in the field service of the Post Office Department unless performed by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

(iv) in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the taking of any census;

(v) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis;

(vi) by any individual as an employee receiving nominal compensation of $12 or less per annum;

(vii) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

(viii) by any individual as a consular agent appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U. S. C., sec. 951);

(ix) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U. S. C., sec. 1052);

(x) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

(xi) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

(xii) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

(xiii) by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system; (Sec. 1426 (b) (6), (7), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 529.)

SECTION 1412 OF THE ACT

INSTRUMENTALITIES OF THE UNITED STATES

Notwithstanding any other provision of law (whether enacted before or after the enactment of this section) which grants to any instrumentality of the United States an exemption from taxation, such instrumentality shall not be exempt from the tax imposed by section 1410 unless such other provision of law grants a specific exemption, by reference to section 1410, from the tax imposed by such section. (Sec. 1412, I. R. C., as added by sec. 202 (a), (d), Social Security Act Amendments of 1950, 64 Stat. 524, 525.)

§ 408.213 *United States and instrumentalities thereof*—(a) *In general.* This section relates to services performed in the employ of the United States Government or in the employ of any instrumentality of the United States. Paragraphs (b) and (c) of this section relate to services performed either in the employ of the United States or in the employ of any instrumentality thereof. Paragraph (b) of this section relates to services which are excepted from employment by virtue of the fact that the services are covered by a retirement system established by a law of the United States. Paragraph (c) of this section relates to services which are excepted from employment by virtue of the fact that the services are of the character described in any one of 13 special classes of excepted services. Paragraphs (d) and (e) of this section relate solely to services performed in the employ of an instrumentality of the United States. Paragraph (d) of this section relates to services which are excepted from employment by virtue of the fact that the services are performed in the employ of an instrumentality which has been granted a specific statutory exemption from the tax imposed by section 1410 of the act. Paragraph (e) of this section relates to services which are excepted from employment by virtue of the fact that the services are performed in the employ of an instrumentality which either was exempt on December 31, 1950, from the tax imposed by section 1410 of the act or would have been exempt on that date from such tax had it then been in existence. Particular services which are not excepted from employment under one rule set forth in this section may nevertheless be excepted under another rule set forth in this section. Moreover, services performed in the employ of the United States or of any instrumentality thereof which are not excepted from employment under paragraph (6) or (7) of section 1426 (b) of the act may nevertheless be excepted under some other paragraph of such section.

(b) *Services covered under a retirement system.* Services performed in the employ of the United States or in the employ of any instrumentality thereof are excepted from employment if such services are covered under a law enacted by the Congress of the United States which specifically provides for the establishment of a retirement system for employees of the United States or of such instrumentality. Determinations as to whether services are covered by a retirement system of the requisite character are to be made as of the time such services are performed. Services of an employee who has an option to have his services covered under a retirement system are not covered under such retirement system unless and until he exercises such option. The test is whether particular services performed by an employee are covered by a retirement system of the requisite character rather than whether the position in which such services are performed is covered by such retirement system.

(c) *Special classes of services.* The following classes of services performed either in the employ of the United States or in the employ of any instrumentality thereof are excepted from employment:

(1) Services performed as the President or Vice President of the United States or as a Member, Delegate, Resident Commissioner, of or to the Congress of the United States;

(2) Services performed in the legislative branch of the United States Government;

(3) Services performed in the field service of the Post Office Department unless performed by an individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act (Act of May 29, 1930, as amended, 5 U. S. C. 691 et seq.) because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

(4) Services performed in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the actual taking of any census (exclusive of clerical or other employees employed for work other than in the actual taking of the census);

(5) Services performed by an individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act because of payment on a contract or fee basis;

(6) Services performed by an individual as an employee for nominal compensation of $12 or less per annum;

(7) Services performed in a hospital, home, or other institution of the United States by a patient or inmate thereof;

(8) Services performed by an individual as a consular agent appointed under the authority of section 551 of the Foreign Service Act of 1946 (22 U. S. C. 951);

(9) Services performed by student nurses, medical or dental interns, residents-in-training, student dietitians, student physical therapists, or student occupational therapists, assigned or attached to a hospital, clinic, or medical or dental laboratory operated by any department, agency, or instrumentality of the United States Government, or by certain other student employees described in section 2 of the act of August 4, 1947 (5 U. S. C. 1052);

(10) Services performed by an individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

(11) Services performed by an individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

(12) Services performed as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other similar body is composed exclusively of individuals otherwise in the full-time employ of the United States; and

(13) Services performed by an individual to whom the Civil Service Retirement Act does not apply because he is, with respect to such services, subject to another retirement system, established either by a law of the United States or by the agency or instrumentality of the United States for which such services are performed.

(d) *Services performed for instrumentality specifically exempted from tax.* Services performed in the employ of an instrumentality of the United States are excepted from employment if such instrumentality is exempt from the employer tax imposed by section 1410 of the act by virtue of any other provision of law which specifically refers to such section 1410 in granting exemption from the tax imposed by such section. This exception does not operate to exclude from employment services performed in the employ of an instrumentality of the United States unless and until the Congress grants to such instrumentality a specific exemption from the tax imposed by section 1410. Section 1412 of the act makes ineffectual as to the employer tax imposed by section 1410 those provisions of law which grant to an instrumentality of the United States an exemption from taxation, unless such provisions grant a specific exemption from the tax imposed by section 1410 by an express reference to such section. Thus, the general exemptions from Federal taxation granted by various statutes to certain instrumentalities of the United States without specific reference to the tax imposed by section 1410 are rendered inoperative insofar as such exemptions relate to the tax imposed by section 1410. For provisions relating to services performed for an instrumentality exempt on December 31, 1950, from the employer tax, see paragraph (e) of this section.

(e) *Services performed for an instrumentality not subject to employer tax on December 31, 1950.* Services performed in the employ of an instrumentality of the United States are excepted from employment if the particular instrumentality was not subject on December 31, 1950, to the employer tax imposed by section 1410 of the act. If the particular instrumentality was not in existence on December 31, 1950, but is created thereafter under a law which was in effect on December 31, 1950, services performed in the employ of such instrumentality are excepted from employment if the instrumentality had it been in existence on December 31, 1950, would not have been subject on that date to the employer tax imposed by section 1410 of the act. It is immaterial, for the purposes of this exception, whether the exemption from the employer tax on December 31, 1950, resulted, or would have resulted, from a tax exemption as such in effect on December 31, 1950, or from the provisions of section 1426 (b) (6) of the act in effect on that date, relating to the exception from employment of services performed in the employ of certain instrumentalities of the United States. This exception, however, has no application with respect to any of the following classes of services:

(1) Services performed in the employ of a corporation which is wholly owned by the United States;

(2) Services performed in the employ of a national farm loan association, a production credit association, a Federal Reserve bank, or a Federal credit union;

(3) Services performed in the employ of a State, county, or community committee under the Production and Marketing Administration; or

(4) Services performed by a civilian employee, who is not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department.

SECTION 1426 (b) (8) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(8) Service (other than service which, under subsection (k), constitutes covered transportation service) performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions; (Sec. 1426 (b) (8), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

SECTION 1426 (k) OF THE ACT

COVERED TRANSPORTATION SERVICE

(1) *Existing transportation systems—General rule.* Except as provided in paragraph (2), all service performed in the employ of a State or political subdivision in connection with its operation of a public transportation system shall constitute covered transportation service if any part of the transportation system was acquired from private ownership after 1936 and prior to 1951.

(2) *Existing transportation systems—Cases in which no transportation employees, or only certain employees, are covered.*—Service performed in the employ of a State or political subdivision in connection with the operation of its public transportation system shall not constitute covered transportation service if—

(A) any part of the transportation system was acquired from private ownership after 1936 and prior to 1951, and substantially all service in connection with the operation of the transportation system is, on December 31, 1950, covered under a general retirement system providing benefits which, by reason of a provision of the State constitution dealing specifically with retirement systems of the State or political subdivisions thereof, cannot be diminished or impaired; or

(B) no part of the transportation system operated by the State or political subdivision on December 31, 1950, was acquired from private ownership after 1936 and prior to 1951;

except that if such State or political subdivision makes an acquisition after 1950 from private ownership of any part of its transportation system, then, in the case of any employee who—

(C) became an employee of such State or political subdivision in connection with and at the time of its acquisition after 1950 of such part, and

(D) prior to such acquisition rendered service in employment (including as employment service covered by an agreement under section 218 of the Social Security Act) in connection with the operation of such part of the transportation system acquired by the State or political subdivision,

the service of such employee in connection with the operation of the transportation system shall constitute covered transportation service, commencing with the first day of the third calendar quarter following the calendar quarter in which the acquisition of such part took place, unless on such first day such service of such employee is covered by a general retirement system which does not, with respect to such employee, contain special provisions applicable only to employees described in subparagraph (C).

(3) *Transportation systems acquired after 1950.* All service performed in the employ of a State or political subdivision thereof in connection with its operation of a public transportation system shall constitute covered transportation service if the transportation system was not operated by the State or political subdivision prior to 1951 and, at the time of its first acquisition (after 1950) from private ownership of any part of its transportation system, the State or political subdivision did not have a general retirement system covering substantially all service performed in connection with the operation of the transportation system.

(4) *Definitions.* For the purposes of this subsection—

(A) The term "general retirement system" means any pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision thereof for employees of the State, political subdivision, or both; but such term shall not include such a fund or system which covers only service performed in positions connected with the operation of its public transportation system.

(B) A transportation system or a part thereof shall be considered to have been acquired by a State or political subdivision from private ownership if prior to the acquisition service performed by employees in connection with the operation of the system or part thereof acquired constituted employment under this subchapter or was covered by an agreement made pursuant to section 218 of the Social Security Act and some of such employees became employees of the State or political subdivision in connection with and at the time of such acquisition.

(C) The term "political subdivision" includes an instrumentality of (i) a State, (ii) one or more political subdivisions of a State, or (iii) a State and one or more of its political subdivisions. (Sec. 1426 (k), I. R. C., as added by sec. 204 (e), (g), Social Security Act Amendments of 1950, 64 Stat. 533, 536.)

SECTION 1426 (e) (1) OF THE ACT

STATE

The term "State" includes Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 3810 such term includes Puerto Rico. (Sec. 1426 (e) (1), I. R. C., as amended by sec. 204 (b), Social Security Act Amendments of 1950, 64 Stat. 532.)

SECTION 3810 OF THE INTERNAL REVENUE CODE

EFFECTIVE DATE IN CASE OF PUERTO RICO

If the Governor of Puerto Rico certifies to the President of the United States that the legislature of Puerto Rico has, by concurrent resolution, resolved that it desires the extension to Puerto Rico of the provisions of title II of the Social Security Act, the effective date referred to in sections 1426 (e) * * * shall be January 1 of the first calendar year which begins more than ninety days after the date on which the President receives such certification. (Sec. 3810, I. R. C., as added by sec. 208 (b), Social Security Act Amendments of 1950, 64 Stat. 543.)

[NOTE: A certificate of the Governor of Puerto Rico made in conformity with section 3810 of the Internal Revenue Code was received by the President of the United States on September 28, 1950. Accordingly, the effective date referred to in section 1426 (e) of the Internal Revenue Code is January 1, 1951.]

§ 408.214 *States and their political subdivisions and instrumentalities*—(a) *In general.* Services, other than covered transportation service as defined in section 1426 (k) of the act (see paragraph (b) of this section), performed in the employ of any State, or of any political subdivision thereof, are exempted from employment. Services, other than covered transportation service, performed in the employ of an instrumentality of one or more States or political subdivisions thereof are excepted from employment if the instrumentality is wholly owned by one or more of the foregoing. The term "State" includes the District of Columbia, the Territories of Alaska and Hawaii, the Virgin Islands, and Puerto Rico.

(b) *Covered transportation service*—(1) *Transportation systems acquired in whole or in part after 1936 and prior to 1951*—(i) *In general.* Except as provided in subdivision (ii) of this subparagraph, all service performed after December 31, 1950, in the employ of a State or political subdivision thereof in connection with its operation of a public transportation system constitutes covered transportation service if any part of the transportation system was acquired from private ownership after 1936 and prior to 1951. For the purposes of this subdivision, it is immaterial whether any part of the transportation system was acquired prior to 1937 or after 1950, whether the employee was hired before, during, or after 1950, or whether the employee had been employed by the employer from whom the State or political subdivision acquired its transportation system or any part thereof.

(ii) *General retirement system protected by State constitution.* Except as provided in subdivision (iii) of this subparagraph, service performed after December 31, 1950, in the employ of a State or political subdivision in connection with its operation of a public transportation system acquired in whole or in part from private ownership after 1936 and prior to 1951 does not constitute covered transportation service, if substantially all service in connection with the operation of the transportation system was, on December 31, 1950, covered under a general retirement system providing benefits which are protected from diminution or impairment under the State constitution by reason of an express provision, dealing specifically with retirement systems established by the State or political subdivisions of the State, which forbids such diminution or impairment.

(iii) *Additions to certain transportation systems by acquisition after 1950.* This subdivision is applicable only in case of an acquisition after 1950 from private ownership of an addition to an existing public transportation system which was acquired in whole or in part by a State or political subdivision thereof from private ownership after 1936 and prior to 1951 and then only in case service for such existing transportation system did not constitute covered transportation service by reason of the provisions of subdivision (ii) of this subparagraph. Service in connection with the operation of such transportation system (including any additions acquired after 1950) constitutes covered transportation service commencing with the first day of the third calendar quarter following the calendar quarter in which the addition to the existing transportation system was acquired, if such service is performed by an employee who became an employee of the State or political subdivision in connection with and at the time of its acquisition from private ownership of such addition and who prior to the acquisition of such addition rendered service in employment in connection with the operation of the addition so acquired by such State or political subdivision. However, service performed by such employee in connection with the operation of the transportation system does not constitute covered transportation service if, on the first day of the third calendar quarter following the calendar quarter in which the addition was acquired, such service is covered by a general retirement system which does not, with respect to such employee, contain special provisions applicable only to employees who became employees of the State or political subdivision in connection with and at the time of its acquisition of such addition.

(2) *Transportation systems in operation on December 31, 1950, no part of which was acquired after 1936 and prior to 1951*—(i) *In general.* Except as provided in subdivision (ii) of this subparagraph, no service performed in the employ of a State or a political subdivision thereof in connection with its operation of a public transportation system constitutes covered transportation service if no part of such transportation system operated by the State or political subdivision on December 31, 1950, was acquired from private ownership after 1936 and prior to 1951.

(ii) *Additions acquired after 1950.* This subdivision is applicable only in case of an acquisition after 1950 from private ownership of an addition to an existing public transportation system which was operated by a State or political subdivision on December 31, 1950, but no part of which was acquired from private ownership after 1936 and prior to 1951. Service in connection with the operation of such transportation system (including any additions acquired after 1950) constitutes covered transportation service commencing with the first day of the third calendar quarter following the calendar quarter in which the addition to the existing transportation system was acquired, if such service is performed by an employee who became an employee of the State or political subdivision in connection with and at the time of its acquisition from private ownership of such addition and who prior to the acquisition of such addition rendered service in employment in connection with the operation of the addition so acquired by such State or political subdivision. However, service performed by such employee in connection with the operation of the transportation system does not constitute covered transportation service if, on the first day of the third calendar quarter following the calendar quarter in which the addition was acquired, such service is covered by a general retirement system which does not, with respect to such employee, contain special provisions applicable only to employees who became employees of the State or political subdivision in connection with and at the time of its acquisition of such addition.

(3) *Transportation systems acquired after 1950.* All service performed in the employ of a State or political subdivision thereof in connection with its operation of a public transportation system constitutes covered transportation service if the transportation system was not operated by the State or political subdivision prior to 1951 and, at the time of its first acquisition after 1950 from private ownership of any part of its transportation system, the State or political subdivision did not have a general retirement system covering substantially all service performed in connection with the operation of the transportation system.

(4) *Definitions.* For the purposes of paragraph (b) of this section—

(i) The term "general retirement system" means any pension, annuity, retirement, or similar fund or system established by a State or by a political subdivision thereof for employees of the State, political subdivision, or both; but such term does not include such a fund or system which covers only service performed in positions connected with the operation of its public transportation system.

(ii) A transportation system or a part thereof is considered to have been acquired by a State or political subdivision from private ownership if prior to the acquisition service performed by employees in connection with the operation of the system or an acquired part thereof constituted employment under the act or was covered by an agreement entered into between a State and the Federal Security Administrator pursuant to section 218 of the Social Security Act, and some of such employees became employees of the State or political subdivision in connection with and at the time of such acquisition.

(iii) The term "political subdivision" includes an instrumentality of a State, of one or more political subdivisions of

a State, or of a State and one or more of its political subdivisions.

(iv) The term "employment" includes service covered by an agreement entered into between a State and the Federal Security Administrator pursuant to section 218 of the Social Security Act.

SECTION 1426 (b) (9) (A) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(9) (A) Service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; (Sec. 1426 (b) (9) (A), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

§ 408.215 *Ministers of churches and members of religious orders.* Services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry, or by a member of a religious order in the exercise of duties required by such order, are excepted from employment. The duties of ministers include the ministration of sacerdotal functions and the conduct of religious worship, and the control, conduct, and maintenance of religious organizations (including the religious boards, societies, and other integral agencies of such organizations), under the authority of a religious body constituting a church or church denomination.

SECTION 1426 (b) (9) (B) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(9) (B) Service performed in the employ of a religious, charitable, educational, or other organization exempt from income tax under section 101 (6), but this subparagraph shall not apply to service performed during the period for which a certificate, filed pursuant to subsection (1), is in effect if such service is performed by an employee (i) whose signature appears on the list filed by such organization under subsection (1), or (ii) who became an employee of such organization after the calendar quarter in which the certificate was filed. (Sec. 1426 (b) (9) (B), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

SECTION 101 OF THE INTERNAL REVENUE CODE

EXEMPTIONS FROM TAX ON CORPORATIONS

Except as provided in supplement U, the following organizations shall be exempt from taxation under this chapter [chapter 1—income tax]—

* * * * *

(6) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation. For loss of exemption under certain circumstances, see sections 3813 and 3814;

* * * * *

An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under any paragraph of this section on the ground that all of its profits are payable to one or more organizations exempt under this section from taxation. For the purposes of this paragraph the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).

Notwithstanding supplement U, an organization described in this section (other than in the preceding paragraph) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes. (Sec. 101, I. R. C., as amended, effective with respect to taxable years beginning after December 31, 1950, by secs. 301 (b), (c) (1), 303, 332 (c), Revenue Act of 1950, 64 Stat. 953, 954, 959.)

SECTION 11 (b) OF THE SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950 (64 STAT. 997)

No organization shall be entitled to exemption from Federal income tax, under section 101 of the Internal Revenue Code, for any taxable year if at any time during such taxable year (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board [Subversive Activities Control Board] requiring such organization to register under section 7.

SECTION 1426 (1) OF THE ACT

EXEMPTION OF RELIGIOUS, CHARITABLE, ETC., ORGANIZATIONS

(1) *Waiver of exemption by organization.* An organization exempt from income tax under section 101 (6) may file a certificate (in such form and manner, and with such official, as may be prescribed by regulations made under this subchapter) certifying that it desires to have the insurance system established by title II of the Social Security Act extended to service performed by its employees and that at least two-thirds of its employees concur in the filing of the certificate. Such certificate may be filed only if it is accompanied by a list containing the signature, address, and social security account number (if any) of each employee who concurs in the filing of the certificate. Such list may be amended, at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is in effect, by filing with such official a supplemental list or lists containing the signature, address, and social security account number (if any) of each additional employee who concurs in the filing of the certificate. The list and any supplemental list shall be filed in such form and manner as may be prescribed by regulations made under this subchapter. The certificate shall be in effect (for the purposes of subsection (b) (9) (B) and for the purposes of section 210 (a) (9) (B) of the Social Security Act) for the period beginning with the first day following the close of the calendar quarter in which such certificate is filed, but in no case shall such period begin prior to January 1, 1951. The period for which the certificate is effective may be terminated by the organization, effective at the end of a calendar quarter, upon giving two years' advance notice in writing, but only if, at the time of the receipt of such notice, the certificate has been in effect for a period of not less than eight years. The notice of termination may be revoked by the organization by giving, prior to the close of the calendar quarter specified in the notice of termination, a written notice of such revocation. Notice of termination or revocation thereof shall be filed in such form and manner, and with such official, as may be prescribed by regulations made under this subchapter.

(2) *Termination of waiver period by Commissioner.* If the Commissioner finds that any organization which filed a certificate pursuant to this subsection has failed to comply substantially with the requirements of this subchapter or is no longer able to comply therewith, the Commissioner shall give such organization not less than sixty days' advance notice in writing that the period covered by such certificate will terminate at the end of the calendar quarter specified in such notice. Such notice of termination may be revoked by the Commissioner by giving, prior to the close of the calendar quarter specified in the notice of termination, written notice of such revocation to the organization. No notice of termination or of revocation thereof shall be given under this paragraph to an organization without the prior concurrence of the Federal Security Administrator.

(3) *No renewal of waiver.* In the event the period covered by a certificate filed pursuant to this subsection is terminated by the organization, no certificate may again be filed by such organization pursuant to this subsection. (Sec. 1426 (l), I. R. C., as added by sec. 204 (e), (g), Social Security Act Amendments of 1950, 64 Stat. 535, 536.)

§ 408.216 *Religious, charitable, educational, or other organizations exempt from income tax under section 101 (6) of the Internal Revenue Code*—(a) *In general.* (1) Services performed by an employee in the employ of a religious, charitable, educational, or other organization exempt from income tax under section 101 (6) of the Internal Revenue Code are excepted from employment. However, this exception does not apply to services performed during the period for which a certificate, filed pursuant to section 1426 (l) of the act, is in effect if such services are performed by an employee (i) whose signature appears on the list filed by such organization under section 1426 (l) of the act, or (ii) who became an employee of such organization after the calendar quarter in which the certificate was filed.

(2) See § 408.215, relating to services performed by a minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; § 408.218, relating to services performed in the employ of an organization exempt from income tax under section 101 of the Internal Revenue Code; § 408.219, relating to services performed in the employ of a school, college, or university by certain students; and § 408.222, relating to services performed by certain student nurses and hospital internes.

(b) *Waiver under section 1426 (l) of the Act of exemption from taxes*—(1) *Who may waive exemption.* (i) Any organization exempt from income tax under section 101 (6) of the Internal Revenue Code may waive its exemption from the taxes imposed under the act by filing a certificate on Form SS–15, provided that at least two-thirds of the employees of the organization concur in the filing of the certificate. The organization must be exempt from income tax under section 101 (6) for the taxable year in which the certificate is filed; otherwise, the Form SS–15 filed by the organization is void.

(ii) If the period covered by the certificate is terminated by the organization, no certificate may again be filed by the organization under section 1426 (l) of the act.

(2) *Form and effect of waiver.* (i) The certificate on Form SS–15 shall be filed with the collector for the district in which is located the principal office or

principal place of business of the organization. The organization shall certify in the certificate that it desires to have the insurance system established by title II of the Social Security Act extended to services performed by its employees and that at least two-thirds of its employees, determined on the basis of the facts existing as of the date the certificate is filed, concur in the filing of the certificate.

(ii) All individuals who are employees of the organization within the meaning of section 1426 (d) of the act (see § 408.204) shall be included in determining whether two-thirds of the employees of the organization concur in the filing of the certificate; except that there shall not be included (*a*) those employees who at the time of the filing of the certificate are performing for such organization services only of the character specified in paragraphs (9) (A), (11) (B), and (14) of section 1426 (b) of the act (see §§ 408.215, 408.219, and 408.222, respectively), and (*b*) those alien employees who at the time of the filing of the certificate are performing services for such organization under an arrangement which provides for the performance only of services outside the United States not on or in connection with an American vessel or American aircraft. As used in the preceding sentence, the term "alien employee" does not include an employee who is a citizen of Puerto Rico or of the Virgin Islands, and the term "United States" includes Puerto Rico and the Virgin Islands.

(iii) The certificate may be filed only if it is accompanied by a list on Form SS–15a, containing the signature, address, and social security account number (if any) of each employee who concurs in the filing of the certificate. The list accompanying the certificate may be amended, at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is in effect, by filing a supplemental list or lists on Form SS–15a Supplement, containing the signature, address, and social security account number (if any) of each additional employee who concurs in the filing of the certificate.

(iv) The certificate shall be in effect for the period beginning with the first day following the close of the calendar quarter in which the certificate is filed, but in no case shall the effective period begin prior to January 1, 1951. Thus, if the certificate is filed on or before December 31, 1950, it will be in effect with respect to services performed in the employ of the organization on and after January 1, 1951. For provisions relating to termination of the waiver, see subparagraphs (3) and (4) of this paragraph. The certificate is not terminated if the organization loses its exemption under section 101 (6) of the Internal Revenue Code, but continues effective with respect to any subsequent periods during which the organization is so exempt.

(v) Services performed in the employ of an organization which has duly filed a certificate are not excepted from employment under section 1426 (b) (9) (B) of the act, during the period for which the certificate is in effect, if such services are performed by an employee (*a*) whose signature appears on the list filed by the organization on Form SS–15a, or on Form SS–15a Supplement, or (*b*) who becomes an employee of the organization after the calendar quarter in which the certificate is filed. Consequently, the taxes imposed under the act will apply to the organization and to each employee whose services constitute employment and whose signature appears on the accompanying list or on any supplemental list or lists filed within the prescribed time, commencing with the first day following the close of the calendar quarter in which the certificate is filed. Such taxes will also apply immediately with respect to services which constitute employment performed by any individual who enters the employ of the organization on or after the first day following the close of the calendar quarter in which the certificate is filed. A former employee of the organization who is rehired after the certificate becomes effective shall be considered to have entered the employ of the organization after the effective date of the certificate, regardless of whether or not such individual concurred in the filing of the certificate.

(3) *Termination of waiver by organization.* (i) The period for which the certificate is in effect may be terminated by the organization upon giving two years' advance notice in writing to the collector with whom the organization is filing returns of its desire to terminate the effect of the certificate at the end of a specified calendar quarter, but only if, at the time of the receipt of such notice by the collector, the certificate has been in effect for a period of not less than eight years. The notice of termination shall be signed by the president or other principal officer of the organization. Such notice shall be dated and shall show (*a*) the title of the officer signing the notice, (*b*) the name, address, and identification number of the organization, (*c*) the collector with whom the certificate was filed, (*d*) the date on which the certificate became effective, and (*e*) the date on which the certificate is to be terminated. No particular form is prescribed for the notice of termination.

(ii) In computing the effective period which must precede the date of receipt of the notice of termination, there shall be disregarded any period or periods as to which the organization is not exempt from income tax under section 101 (6) of the Internal Revenue Code.

(iii) The notice of termination may be revoked by the organization by giving, prior to the close of the calendar quarter specified in the notice of termination, a written notice of such revocation. The notice of revocation shall be filed with the collector with whom the notice of termination was filed. The notice of revocation shall be signed by the president or other principal officer of the organization. Such notice shall be dated and shall show (*a*) the title of the officer signing the notice, (*b*) the name, address, and identification number of the organization, and (*c*) the date of the notice of termination to be revoked. No particular form is prescribed for the notice of revocation.

(4) *Termination of waiver by Commissioner.* (i) The period for which the certificate is in effect may be terminated by the Commissioner, with the prior concurrence of the Federal Security Administrator, upon a finding by the Commissioner that the organization has failed to comply substantially with the requirements of the act or is no longer able to comply therewith. The Commissioner shall give the organization not less than 60 days' advance notice in writing that the period covered by the certificate will terminate at the end of the calendar quarter specified in the notice of termination.

(ii) The notice of termination may be revoked by the Commissioner, with the prior concurrence of the Federal Security Administrator, by giving written notice of revocation to the organization prior to the close of the calendar quarter specified in the notice of termination.

SECTION 1426 (b) (10) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(10) Service performed by an individual as an employee or employee representative as defined in section 1532; (Sec. 1426 (b) (10), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

SECTION 1532 OF THE INTERNAL REVENUE CODE

DEFINITIONS

As used in this subchapter [subchapter B, chapter 9, Internal Revenue Code]—

(a) *Employer.* The term "employer" means any carrier (as defined in subsection (h) of this section), and any company which is directly or indirectly owned or controlled by one or more such carriers or under common control therewith, and which operates any equipment or facility or performs any service (except trucking service, casual service, and the casual operation of equipment or facilities) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the property or operating all or any part of the business of any such employer: *Provided, however,* That the term "employer" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Commissioner of Internal Revenue, or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this proviso. The term "employer" shall also include railroad associations, traffic associations, tariff bureaus, demurrage bureaus, weighing and inspection bureaus, collection agencies and other associations, bureaus, agencies, or organizations controlled and maintained wholly or principally by two or more employers as hereinbefore defined and engaged in the performance of services in connection with or incidental to railroad transportation; and railway labor organizations, national in scope, which have been

or may be organized in accordance with the provisions of the Railway Labor Act, as amended, and their State and National legislative committees and their general committees and their insurance departments and their local lodges and divisions, established pursuant to the constitution and bylaws of such organizations. The term "employer" shall not include any company by reason of its being engaged in the mining of coal, the supplying of coal to an employer where delivery is not beyond the mine tipple, and the operation of equipment or facilities therefor, or in any of such activities.

(b) *Employee.* The term "employee" means any individual in the service of one or more employers for compensation: *Provided, however,* That the term "employee" shall include an employee of a local lodge or division defined as an employer in subsection (a) only if he was in the service of or in the employment relation to a carrier on or after August 29, 1935. An individual shall be deemed to have been in the employment relation to a carrier on August 29, 1935, if (i) he was on that date on leave of absence from his employment, expressly granted to him by the carrier by whom he was employed, or by a duly authorized representative of such carrier, and the grant of such leave of absence will have been established to the satisfaction of the Railroad Retirement Board before July 1947; or (ii) he was in the service of a carrier after August 29, 1935, and before January 1946 in each of six calendar months, whether or not consecutive; or (iii) before August 29, 1935, he did not retire and was not retired or discharged from the service of the last carrier by whom he was employed or its corporate or operating successor, but (A) solely by reason of his physical or mental disability he ceased before August 29, 1935, to be in the service of such carrier and thereafter remained continuously disabled until he attained age sixty-five or until August 1945, or (B) solely for such last stated reason a carrier by whom he was employed before August 29, 1935, or a carrier who is its successor did not on or after August 29, 1935, and before August 1945 call him to return to service, or (C) if he was so called he was solely for such reason unable to render service in six calendar months as provided in clause (ii); or (iv) he was on August 29, 1935, absent from the service of a carrier by reason of a discharge which, within one year after the effective date thereof, was protested, to an appropriate labor representative or to the carrier, as wrongful, and which was followed within ten years of the effective date thereof by his reinstatement in good faith to his former service with all his seniority rights: *Provided,* That an individual shall not be deemed to have been on August 29, 1935, in the employment relation to a carrier if before that date he was granted a pension or gratuity on the basis of which a pension was awarded to him pursuant to section 6 of the Railroad Retirement Act of 1937, or if during the last pay-roll period before August 29, 1935, in which he rendered service to a carrier he was not in the service of an employer, in accordance with subsection (d), with respect to any service in such pay-roll period, or if he could have been in the employment relation to an employer only by reason of his having been, either before or after August 29, 1935, in the service of a local lodge or division defined as an employer in subsection (a).

The term "employee" includes an officer of an employer.

The term "employee" shall not include any individual while such individual is engaged in the physical operations consisting of the mining of coal, the preparation of coal, the handling (other than movement by rail with standard railroad locomotives) of coal not beyond the mine tipple, or the loading of coal at the tipple.

(c) *Employee representative.* The term "employee representative" means any officer or official representative of a railway labor organization other than a labor organization included in the term "employer" as defined in subsection (a), who before or after June 29, 1937, was in the service of an employer as defined in subsection (a) and who is duly authorized and designated to represent employees in accordance with the Railway Labor Act, 44 Stat. 577 (U. S. C., Title 45, c. 18), as amended, and any individual who is regularly assigned to or regularly employed by such officer or official representative in connection with the duties of his office.

(d) *Service.* An individual is in the service of an employer whether his service is rendered within or without the United States if (i) he is subject to the continuing authority of the employer to supervise and direct the manner of rendition of his service, or he is rendering professional or technical services and is integrated into the staff of the employer, or he is rendering, on the property used in the employer's operations, other personal services the rendition of which is integrated into the employer's operations, and (ii) he renders such service for compensation: *Provided, however,* That an individual shall be deemed to be in the service of an employer, other than a local lodge or division or a general committee of a railway-labor-organization employer, not conducting the principal part of its business in the United States only when he is rendering service to it in the United States; and an individual shall be deemed to be in the service of such a local lodge or division only if (1) all, or substantially all, the individuals constituting its membership are employees of an employer conducting the principal part of its business in the United States; or (2) the headquarters of such local lodge or division is located in the United States; and an individual shall be deemed to be in the service of such a general committee only if (1) he is representing a local lodge or division described in clauses (1) or (2) immediately above; or (2) all, or substantially all, the individuals represented by it are employees of an employer conducting the principal part of its business in the United States; or (3) he acts in the capacity of a general chairman or an assistant general chairman of a general committee which represents individuals rendering service in the United States to an employer, but in such case if his office or headquarters is not located in the United States and the individuals represented by such general committee are employees of an employer not conducting the principal part of its business in the United States, only such proportion of the remuneration for such service shall be regarded as compensation as the proportion which the mileage in the United States under the jurisdiction of such general committee bears to the total mileage under its jurisdiction, unless such mileage formula is inapplicable, in which case such other formula as the Railroad Retirement Board may have prescribed pursuant to subsection (c) of section 1 of the Railroad Retirement Act of 1937 shall be applicable, and if the application of such mileage formula, or such other formula as the Board may prescribe, would result in the compensation of the individual being less than 10 per centum of his remuneration for such service no part of such remuneration shall be regarded as compensation: *Provided further,* That an individual not a citizen or resident of the United States shall not be deemed to be in the service of an employer when rendering service outside the United States to an employer who is required under the laws applicable in the place where the service is rendered to employ therein, in whole or in part, citizens or residents thereof; and the laws applicable on August 29, 1935, in the place where the service is rendered shall be deemed to have been applicable there at all times prior to that date.

(e) *Compensation.* The term "compensation" means any form of money remuneration earned by an individual for services rendered as an employee to one or more employers, or as an employee representative, including remuneration paid for time lost as an employee, but remuneration paid for time lost shall be deemed earned in the month in which such time is lost. Such term does not include tips, or the voluntary payment by an employer, without deduction from the remuneration of the employee, of the tax imposed on such employee by section 1500. Compensation which is earned during the period for which the Commissioner shall require a return of taxes under this subchapter to be made and which is payable during the calendar month following such period shall be deemed to have been paid during such period only. For the purpose of determining the amount of taxes under sections 1500 and 1520, compensation earned in the service of a local lodge or division of a railway-labor-organization employer shall be disregarded with respect to any calendar month if the amount thereof is less than $3 and (1) such compensation is earned before April 1, 1940, and the taxes thereon under such sections, are not paid before July 1, 1940, or (2) such compensation is earned after March 31, 1940.

A payment made by an employer to an individual through the employer's pay roll shall be presumed, in the absence of evidence to the contrary, to be compensation for service rendered by such individual as an employee of the employer in the period with respect to which the payment is made. An employee shall be deemed to be paid, "for time lost" the amount he is paid by an employer with respect to an identifiable period of absence from the active service of the employer, including absence on account of personal injury, and the amount he is paid by the employer for loss of earnings resulting from his displacement to a less remunerative position or occupation. If a payment is made by an employer with respect to a personal injury and includes pay for time lost, the total payment shall be deemed to be paid for time lost unless, at the time of payment, a part of such payment is specifically apportioned to factors other than time lost, in which event only such part of the payment as is not so apportioned shall be deemed to be paid for time lost.

(f) *United States.* The term "United States" when used in a geographical sense means the States, Alaska, Hawaii, and the District of Columbia.

(g) *Company.* The term "company" includes corporations, associations, and joint-stock companies.

(h) *Carrier.* The term "carrier" means an express company, sleeping-car company, or carrier by railroad, subject to part I of the Interstate Commerce Act.

* * * * *

(Sec. 1532, I. R. C., as amended by sec. 3, Act of June 11, 1940, 54 Stat. 264; sec. 1, Act of Aug. 13, 1940, 54 Stat. 785; sec. 27 (a), Act of Oct. 10, 1940, 54 Stat. 1101; sec. 14, Act of Apr. 8, 1942, 56 Stat. 209; secs. 1, 3 (e), (f), Act of July 31, 1946, 60 Stat. 722, 724, 725.)

§ 408.217 *Railroad industry; employees and employee representatives under section 1532 of the Internal Revenue Code.* Services performed by an individual as an "employee" or as an "employee representative", as those terms are defined in section 1532 of subchapter B of chapter 9 of the Internal Revenue Code, are excepted from employment. (For definitions of employee and employee representative, see such section and the regulations issued pursuant to such subchapter B.)

SECTION 1426 (b) (11) (A) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(11) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101, if the remuneration for such service is less than $50; (Sec. 1426 (b) (11) (A), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

SECTION 101 OF THE INTERNAL REVENUE CODE

EXEMPTIONS FROM TAX ON CORPORATIONS

Except as provided in supplement U, the following organizations shall be exempt from taxation under this chapter [chapter 1—income tax]—

(1) Labor, agricultural, or horticultural organizations;

(2) Mutual savings banks not having a capital stock represented by shares;

(3) Fraternal beneficiary societies, orders, or associations, (A) operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system; and (B) providing for the payment of life, sick, accident, or other benefits to the members of such society, order, or association or their dependents;

(4) Domestic building and loan associations substantially all the business of which is confined to making loans to members; and cooperative banks without capital stock organized and operated for mutual purposes and without profit;

(5) Cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit; and any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(6) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation. For loss of exemption under certain circumstances, see sections 3813 and 3814;

(7) Business leagues, chambers of commerce, real-estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(8) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes;

(9) Clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder;

(10) Benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations; but only if 85 per centum or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses;

(11) Mutual insurance companies or associations other than life or marine (including interinsurers and reciprocal underwriters) if the gross amount received during the taxable year from interest, dividends, rents, and premiums (including deposits and assessments) does not exceed $75,000;

(12) Farmers', fruit growers', or like associations organized and operated on a cooperative basis (a) for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expenses, on the basis of either the quantity or the value of the products furnished by them, or (b) for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses. Exemption shall not be denied any such association because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the State of incorporation or 8 per centum per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends) is owned by producers who market their products or purchase their supplies and equipment through the association; nor shall exemption be denied any such association because there is accumulated and maintained by it a reserve required by State law or a reasonable reserve for any necessary purpose. Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, provided the value of the purchases made for persons who are neither members nor producers does not exceed 15 per centum of the value of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the right to exemption under this paragraph;

(13) Corporations organized by an association exempt under the provisions of paragraph (12), or members thereof, for the purpose of financing the ordinary crop operations of such members or other producers, and operated in conjunction with such association. Exemption shall not be denied any such corporation because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the State of incorporation or 8 per centum per annum, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the corporation, upon dissolution or otherwise, beyond the fixed dividends) is owned by such association, or members thereof; nor shall exemption be denied any such corporation because there is accumulated and maintained by it a reserve required by State law or a reasonable reserve for any necessary purpose;

(14) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this chapter;

(15) Corporations organized under Act of Congress, if such corporations are instrumentalities of the United States and if, under such Act, as amended and supplemented, such corporations are exempt from Federal income taxes;

(16) Voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if (A) no part of their net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (B) 85 per centum or more of the income consists of amounts collected from members and amounts contributed to the association by the employer of the members for the sole purpose of making such payments and meeting expenses;

(17) Teachers' retirement fund associations of a purely local character, if (A) no part of their net earnings inures (other than through payment of retirement benefits) to the benefit of any private shareholder or individual, and (B) the income consists solely of amounts received from public taxation, amounts received from assessments upon the teaching salaries of members, and income in respect of investments;

(18) Religious or apostolic associations or corporations, if such associations or corporations have a common treasury or community treasury, even if such associations or corporations engage in business for the common benefit of the members, but only if the members thereof include (at the time of filing their returns) in their gross income their entire pro-rata shares, whether distributed or not, of the net income of the association or corporation for such year. Any amount so included in the gross income of a member shall be treated as a dividend received;

(19) Voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or their designated beneficiaries, if (A) admission to membership in such association is limited to individuals who are officers or employees of the United States Government, and (B) no part of the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual.

An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under any paragraph of this section on the ground that all of its profits are payable to one or more organizations exempt under this section from taxation. For the purposes of this paragraph the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).

Notwithstanding supplement U, an organization described in this section (other than in the preceding paragraph) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes. (Sec. 101, I. R. C., as amended by sec. 217, Revenue Act of 1939, 53 Stat. 876; secs. 101, 137 (a), 165 (a), Revenue Act of 1942, 56 Stat. 802, 836, 872; and as amended, effective with respect to taxable years beginning after December 31, 1950, by secs. 301 (b), (c) (1), 303, 332 (c), Revenue Act of 1950, 64 Stat. 953, 954, 959.)

SECTION 11 (b) OF THE SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950 (64 STAT. 997)

No organization shall be entitled to exemption from Federal income tax, under section 101 of the Internal Revenue Code, for any taxable year if at any time during such taxable year (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board [Subversive Activities Control Board] requiring such organization to register under section 7.

§ 408.218 *Organizations exempt from income tax; remuneration less than $50 for calendar quarter.* (a) Services performed by an employee in a calendar quarter in the employ of an organization exempt from income tax under section 101 of the Internal Revenue Code are

excepted from employment, if the remuneration for the services is less than $50. The exception applies separately with respect to each organization for which the employee renders services in a calendar quarter. The type of services performed by the employee and the place where the services are performed are immaterial; the statutory tests are the character of the organization in the employ of which the services are performed and the amount of the remuneration for services performed by the employee in the calendar quarter.

Example (1). X is a local lodge of a fraternal organization and is exempt from income tax under section 101 (3) of the Internal Revenue Code. X has two paid employees, A, who serves exclusively as recording secretary for the lodge, and B, who performs services for the lodge as janitor of its clubhouse. For services performed during the first calendar quarter of 1951 (that is, January 1, 1951, through March 31, 1951, both dates inclusive) A earns a total of $30. For services performed during the same calendar quarter B earns $180. Since the remuneration for the services performed by A during such quarter is less than $50, all of such services are excepted, and the tax does not attach with respect to any of the remuneration for such services. Since the remuneration for the services performed by B during such quarter, however, is not less than $50, none of such services are excepted, and the tax attaches with respect to all of the remuneration for such services (that is, $180) as and when paid.

Example (2). The facts are the same as in example (1), above, except that on April 1, 1951, A's salary is increased and, for services performed during the calendar quarter beginning on that date (that is, April 1, 1951, through June 30, 1951, both dates inclusive), A earns a total of $60. Although all of the services performed by A during the first quarter were excepted, none of A's services performed during the second quarter are excepted since the remuneration for such services is not less than $50. The tax attaches with respect to all of the remuneration for services performed during the second quarter (that is, $60) as and when paid.

Example (3). The facts are the same as in example (1), above, except that A earns $120 for services performed during the year 1951, and such amount is paid to him in a lump sum at the end of the year. The services performed by A in any calendar quarter during the year are excepted if the portion of the $120 attributable to services performed in that quarter is less than $50. If, however, the portion of the $120 attributable to services performed in any calendar quarter during the year is not less than $50, the services during that quarter are not excepted, and the tax attaches with respect to that portion of the remuneration attributable to his services in that quarter. The test is the amount earned in a calendar quarter and not the amount paid in a calendar quarter.

(b) See § 408.216, relating to services performed in the employ of religious, charitable, educational, and other organizations exempt from income tax under section 101 (6) of the Internal Revenue Code; § 408.215, relating to services performed by a minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; § 408.219, relating to services performed in the employ of a school, college, or university by certain students; and § 408.222, relating to services performed by certain student nurses and hospital internes.

SECTION 1426 (b) (11) (B) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(11) (B) Service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university; (Sec. 1426 (b) (11) (B), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531).

§ 408.219 *Students employed by schools, colleges, or universities.* (a) Services performed in the employ of a school, college, or university (whether or not such organization is exempt from income tax under section 101 of the Internal Revenue Code) are excepted from employment, if the services are performed by a student who is enrolled and is regularly attending classes at such school, college, or university.

(b) For purposes of this exception, the amount of remuneration for services performed by the employee in the calendar quarter, the type of services performed by the employee, and the place where the services are performed are immaterial; the statutory tests are the character of the organization in the employ of which the services are performed, and the status of the employee as a student enrolled and regularly attending classes at the school, college, or university in the employ of which he performs the services.

(c) The status of the employee as a student performing the services shall be determined on the basis of the relationship of such employee with the organization for which the services are performed. An employee who performs services in the employ of a school, college, or university as an incident to and for the purpose of pursuing a course of study at such school, college, or university has the status of a student in the performance of such services.

(d) The term "school, college, or university" within the meaning of this exception is to be taken in its commonly or generally accepted sense.

(e) For provisions relating to domestic service performed by a student in a local college club, or local chapter of a college fraternity or sorority, see § 408.209.

SECTION 1426 (b) (12) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(12) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative); (Sec. 1426 (b) (12), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

§ 408.220 *Foreign governments.* (a) Services performed by an employee in the employ of a foreign government are excepted from employment. The exception includes not only services performed by ambassadors, ministers, and other diplomatic officers and employees but also services performed as a consular or other officer or employee of a foreign government, or as a nondiplomatic representative thereof.

(b) For purposes of this exception, the citizenship or residence of the employee is immaterial. It is also immaterial whether the foreign government grants an equivalent exemption with respect to similar services performed in the foreign country by citizens of the United States.

SECTION 1426 (b) (13) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(13) Service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(B) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof: (Sec. 1426 (b) (13), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

§ 408.221 *Wholly owned instrumentalities of a foreign government.* (a) Services performed by an employee in the employ of certain instrumentalities of a foreign government are excepted from employment. The exception includes all services performed in the employ of an instrumentality of the government of a foreign country, if:

(1) The instrumentality is wholly owned by the foreign government;

(2) The services are of a character similar to those performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(3) The Secretary of State certifies to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to services performed in the foreign country by employees of the United States Government and of instrumentalities thereof.

(b) For purposes of this exception, the citizenship or residence of the employee is immaterial.

SECTION 1426 (b) (14) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(14) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law; (Sec. 1426 (b) (14), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

§ 408.222 *Student nurses and hospital interns.* (a) Services performed as a student nurse in the employ of a hospital

or a nurses' training school are excepted from employment, if the student nurse is enrolled and regularly attending classes in a nurses' training school, and such nurses' training school is chartered or approved pursuant to State law.

(b) Services performed as an interne (as distinguished from a resident doctor) in the employ of a hospital are excepted from employment, if the interne has completed a four years' course in a medical school chartered or approved pursuant to State law.

SECTION 1426 (b) (15) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(15) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States); (Sec. 1426 (b) (15), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 531.)

§ 408.223 *Fishing*—(a) *In general.* Subject to the limitations prescribed in paragraphs (b) and (c) of this section, the services described in this paragraph are excepted from employment. Services performed by an individual in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish (for example, oysters, clams, and mussels), crustacea (for example, lobsters, crabs, and shrimps), sponges, seaweeds, or other aquatic forms of animal and vegetable life are excepted from employment. The exception extends to services performed as an officer or member of the crew of a vessel while the vessel is engaged in any such activity whether or not the officer or member of the crew is himself so engaged. In the case of an individual who is engaged in any such activity in the employ of any person, the services performed, by such individual in the employ of such person, as an ordinary incident to any such activity are also excepted from employment. Similarly, for example, the shore services of an officer or member of the crew of a vessel engaged in any such activity are excepted if such services are an ordinary incident to any such activity. Services performed as an ordinary incident to any such activity may include, for example, services performed in such cleaning, icing, and packing of fish as are necessary for the immediate preservation of the catch.

(b) *Salmon and halibut fishing.* Services performed in connection with the catching or taking of salmon or halibut, for commercial purposes, are not within the exception. Thus, neither the services of an officer or member of the crew of a vessel (irrespective of its tonnage) which is engaged in the catching or taking of salmon or halibut, for commercial purposes, nor the services of any other individual in connection with such activity, are within the exception.

(c) *Vessels of more than 10 net tons.* Services described in paragraph (a) of this section performed on or in connection with a vessel of more than 10 net tons are not within the exception. For purposes of the exception, the tonnage of the vessel shall be determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States.

SECTION 1426 (b) (16) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(16) (A) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or (Sec. 1426 (b) (16), I. R. C., as amended by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 532.)

§ 408.224 *Delivery and distribution of newspapers, shopping news, and magazines*—(a) *In general.* Subparagraph (A) of section 1426 (b) (16) of the act excepts from employment certain services performed by an employee under the age of 18 in the delivery or distribution of newspapers or shopping news. This exception is dealt with in paragraph (b) of this section. Subparagraph (B) of section 1426 (b) (16) excepts from employment certain services in the sale of newpapers or magazines without regard to the age of the individual performing the services. Such exception is dealt with in paragraph (c) of this section.

(b) *Services of individuals under age 18.* Services performed by an employee under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution (as, for example, by a regional distributor) to any point for subsequent delivery or distribution, are excepted from employment. Thus, the services performed by an employee under the age of 18 in making house-to-house delivery or sale of newspapers or shopping news, including handbills and other similar types of advertising material, are excepted from employment. The services are excepted irrespective of the form or method of compensation. Incidental services by the employee who makes the house-to-house delivery, such as services in assembling newspapers, are considered to be within the exception. The exception continues only during the time that the employee is under the age of 18.

(c) *Services of individuals of any age.* Services performed by an employee in, and at the time of, the sale of newspapers or magazines to ultimate consumers under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, are excepted from employment. The services are excepted whether or not the employee is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back. Moreover, the services are excepted without regard to the age of the employee. Services performed other than at the time of sale to the ultimate consumer are not within the exception. Thus, the services of a regional distributor which are antecedent to but not immediately part of the sale to the ultimate consumer are not within the exception. However, incidental services by the employee who makes the sale to the ultimate consumer, such as services in assembling newspapers or in taking newspapers or magazines to the place of sale, are considered to be within the exception.

SECTION 1426 (b) (17) OF THE ACT

The term "employment" means * * * any service, of whatever nature, performed after 1950 * * *; except that * * * such term shall not include—

(17) Service performed in the employ of an international organization. (Sec. 1426 (b) (17), I. R. C., as added by sec. 204 (a), Social Security Act Amendments of 1950, 64 Stat. 532.)

SECTION 3797 (a) (18) OF THE INTERNAL REVENUE CODE

INTERNATIONAL ORGANIZATION

The term "international organization" means a public international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act. (Sec. 3797 (a) (18), I. R. C., as added by sec. 4 (1), Act of Dec. 29, 1945, 59 Stat. 671.)

SECTION 1 OF THE INTERNATIONAL ORGANIZATIONS IMMUNITIES ACT

[Title I, Act of Dec. 29, 1945, 59 Stat. 669]

For the purposes of this title [International Organizations Immunities Act], the term "international organization" means a public international organization in which the United States participates pursuant to any treaty or under the authority of any Act of Congress authorizing such participation or making an appropriation for such participation, and which shall have been designated by the President through appropriate Executive order as being entitled to enjoy the privileges, exemptions, and immunities herein provided. The President shall be authorized, in the light of the functions performed by any such international organization, by appropriate Executive order to withhold or withdraw from any such organization or its officers or employees any of the privileges, exemptions, and immunities provided for in this title (including the amendments made by this title) or to condition or limit the enjoyment by any such organization or its officers or employees of any such privilege, exemption, or immunity. The President shall be authorized, if in his judgment such action should be justified by reason of the

abuse by an international organization or its officers and employees of the privileges, exemptions, and immunities herein provided or for any other reason, at any time to revoke the designation of any international organization under this section, whereupon the international organization in question shall cease to be classed as an international organization for the purposes of this title.

§ 408.225 *International organizations.* Subject to the provisions of section 1 of the International Organizations Immunities Act, services performed in the employ of an international organization as defined in section 3797 (a) (18) of the Internal Revenue Code are excepted from employment.

SECTION 1426 (a) OF THE ACT

WAGES

The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

(1) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to $3,600 with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to $3,600 to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraph of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

(2) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical or hospitalization expenses in connection with sickness or accident disability, or (D) death;

(3) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

(4) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

(5) Any payment made to, or on behalf of, an employee or his beneficiary (A) from or to a trust exempt from tax under section 165 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6);

(6) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400, or (B) of any payment required from an employee under a State unemployment compensation law;

(7) (A) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business or for domestic service in a private home of the employer;

(B) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than $50 or the employee is not regularly employed by the employer in such quarter of payment. For the purposes of this subparagraph, an employee shall be deemed to be regularly employed by an employer during a calendar quarter only if (i) on each of some twenty-four days during the quarter the employee performs for the employer for some portion of the day domestic service in a private home of the employer, or (ii) the employee was regularly employed (as determined under clause (i)) by the employer in the performance of such service during the preceding calendar quarter. As used in this subparagraph, the term "domestic service in a private home of the employer" does not include service described in subsection (h) (5);

(8) Remuneration paid in any medium other than cash for agricultural labor;

(9) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of sixty-five, if he did not work for the employer in the period for which such payment is made; or

(10) Remuneration paid by an employer in any calendar quarter to an employee for service described in subsection (d) (3) (C) (relating to home workers), if the cash remuneration paid in such quarter by the employer to the employee for such service is less than $50. (Sec. 1426 (a), I. R. C., as amended by sec. 203 (a), (d), Social Security Act Amendments of 1950, 64 Stat. 525, 528.)

SECTION 1426 (j) OF THE ACT

COMPUTATION OF WAGES IN CERTAIN CASES

For purposes of this subchapter, in the case of domestic service described in subsection (a) (7) (B), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this subchapter, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to $1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of subsection (a) (7) (B). (Sec. 1426 (j), I. R. C., as amended by sec. 204 (e), (g), Social Security Act Amendments of 1950, 64 Stat. 533, 536.)

SECTION 1420 (e) OF THE ACT

FEDERAL SERVICE

In the case of the taxes imposed by this subchapter with respect to service performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, the determination whether an individual has performed service which constitutes employment as defined in section 1426, the determination of the amount of remuneration for such service which constitutes wages as defined in such section, and the return and payment of the taxes imposed by this subchapter, shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 1410 with respect to such service without regard to the $3,600 limitation in section 1426 (a) (1), and he shall not be required to obtain a refund of the tax paid under section 1410 on that part of the remuneration not included in wages by reason of section 1426 (a) (1). The provisions of this subsection shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of this subsection the Secretary of Defense shall be deemed to be the head of such instrumentality. (Sec. 1420 (e), I. R. C., as added by sec. 202 (b), (d), Social Security Act Amendments of 1950, 64 Stat. 524, 525.)

SECTION 1427 OF THE ACT

DEDUCTIONS AS CONSTRUCTIVE PAYMENTS

Whenever under this subchapter or any Act of Congress, or under the law of any State, an employer is required or permitted to deduct any amount from the remuneration of an employee and to pay the amount deducted to the United States, a State, or any political subdivision thereof, then for the purposes of this subchapter the amount so deducted shall be considered to have been paid to the employee at the time of such deduction.

§ 408.226 *Wages*—(a) *In general.* (1) Whether remuneration paid on or after January 1, 1951, for employment performed after December 31, 1936, constitutes wages is determined under section 1426 (a) of the act. This section of the regulations in this part and § 408.227 (relating to exclusions from wages) apply with respect only to remuneration paid on or after January 1, 1951, for employment performed after December 31, 1936. Whether remuneration paid after December 31, 1936, and prior to January 1, 1940, for employment performed after December 31, 1936, constitutes wages shall be determined in accordance with the applicable provisions of Part 401 of this chapter (Regulations 91). Whether remuneration paid after December 31, 1939, and prior to January 1, 1951, for employment performed after December 31, 1936, constitutes wages shall be determined in accordance with the applicable provisions of Part 402 of this chapter (Regulations 106).

(2) The term "wages" means all remuneration for employment unless specifically excepted under section 1426 (a) of the act (see § 408.227).

(3) The name by which the remuneration for employment is designated is immaterial. Thus, salaries, fees, bonuses, and commissions on sales or on insurance premiums, are wages within the meaning of the act if paid as compensation for employment.

(4) The basis upon which the remuneration is paid is immaterial in determining whether the remuneration constitutes wages. Thus, it may be paid on the basis of piecework, or a percentage of profits; and it may be paid hourly, daily, weekly, monthly, or annually.

(5) Generally the medium in which the remuneration is paid is also immaterial. It may be paid in cash or in something other than cash, as for example, goods, lodging, food, or clothing. Remuneration paid in items other than cash shall be computed on the basis of the fair value of such items at the time of payment. See, however, paragraphs (g) and (j) of § 408.227, relating to the treatment of remuneration paid in any medium other than cash for services not in the course of the employer's trade or business, for domestic service in a private home of the employer, for agricultural labor, or for services described in section 1426 (d) (3) (C) (relating to home workers).

(6) Ordinarily, facilities or privileges (such as entertainment, medical services, or so-called "courtesy" discounts on purchases), furnished or offered by an employer to his employees generally, are not considered as remuneration for employment if such facilities or privileges are of relatively small valve and are offered or furnished by the employer merely as a means of promoting the health, good will, contentment, or efficiency of his employees. The term "facilities or privileges", however, does not ordinarily include the value of meals or lodging furnished, for example, to restaurant or hotel employees, or to seamen or other employees aboard vessels, since generally these items constitute an appreciable part of the total remuneration of such employees.

(7) Amounts paid specifically—either as advances or reimbursements—for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer are not wages. Traveling and other reimbursed expenses must be identified either by making a separate payment or by specifically indicating the separate amounts where both wages and expense allowances are combined in a single payment.

(8) Remuneration for employment, unless such remuneration is specifically excepted under section 1426 (a), constitutes wages even though at the time paid the relationship of employer and employee no longer exists between the person in whose employ the services were performed and the individual who performed them.

Example. A is employed by B during the month of January 1951 in employment and is entitled to receive remuneration of $100 for the services performed for B, the employer, during the month. A leaves the employ of B at the close of business on January 31, 1951. On February 15, 1951 (when A is no longer an employee of B), B pays A the remuneration of $100 which was earned for the services performed in January. The $100 is wages within the meaning of the act, and the tax is payable with respect thereto.

(b) *Certain items included as wages*—(1) *Vacation allowances.* Amounts of so-called "vacation allowances" paid to an employee constitute wages. Thus, the salary of an employee on vacation, paid notwithstanding his absence from work, constitutes wages.

(2) *Deductions by an employer from wages of an employee.* The amount of any tax which is required by section 1401 (a) of the act to be deducted by the employer from the wages of an employee is considered to be a part of the employee's wages, and is deemed to be paid to the employee as wages at the time that the deduction is made. Other amounts deducted from the wages of an employee by an employer also constitute wages paid to the employee at the time of the deduction. It is immaterial that the act, or any act of Congress, or the law of any State, requires or permits such deductions and the payment of the amount thereof to the United States, a State, or any political subdivision thereof.

§ 408.227 *Exclusions from wages*—(a) *$3,600 limitation*—(1) *In general.* (i) The term "wages" does not include that part of the remuneration paid within any calendar year beginning after December 31, 1950, by an employer to an employee which exceeds the first $3,600 of remuneration (exclusive of remuneration excepted from wages in accordance with paragraphs (b) through (k) of this section) paid within such calendar year by such employer to such employee for employment performed for him at any time after December 31, 1936.

(ii) The $3,600 limitation applies only if the remuneration received during any one calendar year by an employee from the same employer for employment performed after 1936 exceeds $3,600. The limitation in such case relates to the amount of remuneration received during any one calendar year for employment after 1936 and not to the amount of remuneration for employment performed in any one calendar year.

Example (1). Employee A, in 1951, receives $3,000 from employer B on account of $3,500 due him for employment performed in 1951. In 1952 A receives from employer B the balance of $500 due him for employment performed in the prior year (1951), and thereafter in 1952 also receives $3,500 for employment performed in 1952 for employer B. The $3,000 received in 1951 is subject to tax in 1951. The balance of $500 received in 1952 for employment during 1951 is subject to tax in 1952, as is also the first $3,100 paid of the $3,500 for employment during 1952 (this $500 for 1951 employment added to the first $3,100 paid for 1952 employment constitutes the maximum wages which could be received by A in 1952 from any one employer). The final $400 received by A from B in 1952 is not included as wages and is not subject to the tax.

(iii) If during a calendar year the employee receives remuneration from more than one employer, the limitation of wages to the first $3,600 of remuneration received applies, not to the aggregate remuneration received from all employers with respect to employment performed after 1936, but instead to the remuneration received during such calendar year from each employer with respect to employment performed after 1936. In such case the first $3,600 received during the calendar year from each employer constitutes wages and is subject to the tax, even though, under section 1401 (d) of the act, the employee may be entitled to a refund of any amount of employee tax deducted from his wages which exceeds the employee tax with respect to the first $3,600 of wages received during the calendar year from all employers. (In this connection and in connection with the two examples immediately following, see section 408,802, relating to special refunds of employee tax on wages over $3,600. In connection with the application of the $3,600 limitation, see also subparagraph (2) of this paragraph, relating to the circumstances under which wages paid by a predecessor employer are deemed to be paid by his successor.)

Example (2). During 1951 employee C receives from employer D a salary of $600 a month for employment performed for D during the first seven months of 1951, or total remuneration of $4,200. At the end of the sixth month C has received $3,600 from employer D, and only that part of his total remuneration from D constitutes wages subject to the tax. The $600 received by employee C from employer D in the seventh month is not included as wages and is not subject to the tax. At the end of the seventh month C leaves the employ of D and enters the employ of E. C receives remuneration of $720 a month from employer E in each of the remaining five months of 1951, or total remuneration of $3,600 from employer E. The entire $3,600 received by C from employer E constitutes wages and is subject to the tax. Thus, the first $3,600 received from employer D and the entire $3,600 received from employer E constitute wages.

Example (3). During the calendar year 1951 F is simultaneously an officer (an employee) of the X Corporation, the Y Corporation, and the Z Corporation and during such year receives a salary of $3,600 from each corporation. Each $3,600 received by F from each of the corporations X, Y, and Z (whether or not such corporations are related) constitutes wages and is subject to the tax.

(2) *Wages paid by predecessor attributed to successor.* (i) If an employer (hereinafter referred to as a successor) during any calendar year beginning after December 31, 1950, acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and if immediately after the acquisition the successor employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for purposes of the application of the $3,600 limitation set forth in subparagraph (1) of this paragraph, any remuneration (exclusive of remuneration excepted from wages in accordance with paragraphs (b) through (k) of this section) with respect to employment paid (or considered under this

provision as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor.

(ii) The wages paid, or considered as having been paid, by a predecessor to an employee shall, for purposes of the $3,600 limitation, be treated as having been paid to such employee by a successor, if:

(*a*) The successor during a calendar year acquired substantially all the property used in a trade or business, or used in a separate unit of a trade or business, of the predecessor;

(*b*) Such employee was employed in the trade or business of the predecessor immediately prior to the acquisition and is employed by the successor in his trade or business immediately after the acquisition; and

(*c*) Such wages were paid during the calendar year in which the acquisition occurred and prior to such acquisition.

(iii) The method of acquisition of the property is immaterial. The acquisition may occur as a consequence of a corporate merger or consolidation, the incorporation of a business by a sole proprietor or a partnership, the continuance of the business without interruption by a new partnership resulting from the death or retirement of a former partner or the admission of a new partner, or a purchase or any other transaction whereby substantially all the property used in a trade or business, or used in a saparate unit of a trade or business, of one employer is acquired by another employer.

(iv) Substantially all the property used in a separate unit of a trade or business may consist of substantially all the property used in the performance of an essential operation of the trade or business, or it may consist of substantially all the property used in a relatively self-sustaining entity which forms a part of the trade or business.

Example (*1*). The M Corporation which is engaged in the manufacture of automobiles, including the manufacture of automobile engines, discontinues the manufacture of the engines and transfers all the property used in such manufacturing operation to the N Company. The N Company is considered to have acquired a separate unit of the trade or business of the M Corporation, namely, its engine manufacturing unit.

Example (*2*). The R. Corporation which is engaged in the operation of a chain of grocery stores transfers one of such stores to the S Company. The S Company is considered to have acquired a separate unit of the trade or business of the R Corporation.

(v) A successor may receive credit for wages paid to an employee by a predecessor only if immediately prior to the acquisition the employee was employed by the predecessor in his trade or business which was acquired by the successor and if immediately after the acquisition such employee is employed by the successor in his trade or business (whether or not in the same trade or business in which the acquired property is used). If the acquisition involves only a separate unit of a trade or business of the predecessor, the employee need not have been employed by the predecessor in that unit provided he was employed in the trade or business of which the acquired unit was a part.

(vi) The application of the foregoing provisions may be illustrated by the following example:

Example (*3*). The Y Corporation in 1951 acquires all the property of the X Manufacturing Company and immediately after the acquisition employs in its trade or business employee A, who, immediately prior to the acquisition, was employed by the X Company. The X Company has in 1951 (the calendar year in which the acquisition occurs) and prior to the acquisition paid $2,000 of wages to A. The Y Corporation in 1951 pays to A remuneration with respect to employment of $2,000. Only $1,600 of such remuneration is considered to be wages. For the purposes of the $3,600 limitation, the Y Corporation is credited with the $2,000 paid to A by the X Company. If, in the same calendar year, the property is acquired by the Z Company from the Y Corporation and A immediately after the acquisition is employed by the Z Company in its trade or business, no part of the remuneration paid to A by the Z Company in the year of the acquisition will be considered to be wages. The Z Company will be credited with the remuneration paid to A by the Y Corporation and also with the wages paid to A by the X Company (considered for purposes of the application of the $3,600 limitation as having also been paid by the Y Corporation).

(vii) Where a corporation exempt from income tax under section 101 (6) of the Internal Revenue Code files a certificate pursuant to section 1426 (l) of the act waiving its exemption from the taxes imposed by the act, the activity in which such corporation is engaged is considered to be its trade or business for the purpose of determining whether the transferred property was used in the trade or business of the predecessor and for the purpose of determining whether the employment by the predecessor and the successor of an individual whose services were retained by the successor constitute employment in a trade or business. Thus, if a charitable or religious organization, subject to tax by virtue of its certificate, acquires all the property of another such organization likewise subject to tax and retains the services of employees of the predecessor, wages paid to such employees by the predecessor in the year of the acquisition (and prior to such acquisition) will be attributed to the successor for purposes of the $3,600 limitation.

(b) *Employers' plans providing for payments on account of retirement, sickness or accident disability, medical or hospitalization expenses, or death.* (1) The term "wages" does not include the amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of:

(i) An employee's retirement,

(ii) Sickness or accident disability of an employee or any of his dependents,

(iii) Medical or hospitalization expenses in connection with sickness or accident disability of an employee or any of his dependents, or

(iv) Death of an employee or any of his dependents.

(2) The plan or system established by an employer need not provide for payments on account of all of the specified items, but such plan or system may provide for any one or more of such items. Payments for any one or more of such items under a plan or system established by an employer solely for the dependents of his employees are not within this exclusion from wages.

(3) Dependents of an employee include the employee's husband or wife, children, and any other members of the employee's immediate family.

(4) It is immaterial for purposes of this exclusion whether the amount or possibility of such benefit payments is taken into consideration in fixing the amount of an employee's remuneration or whether such payments are required, expressly or impliedly, by the contract of service.

(c) *Retirement payments.* The term "wages" does not include any payment made by an employer to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of the employee's retirement. Thus, payments made to an employee on account of his retirement are excluded from wages under this exception even though not made under a plan or system.

(d) *Payments on account of sickness or accident disability, or medical or hospitalization expenses.* The term "wages" does not include any payment made by an employer to, or on behalf of, an employee on account of the employee's sickness or accident disability or the medical or hospitalization expenses in connection with the employee's sickness or accident disability, if such payment is made after the expiration of six calendar months following the last calendar month in which such employee worked for such employer. Such payments are excluded from wages under this exception even though not made under a plan or system. If the employee does not actually perform services for the employer during the requisite period, the existence of the employer-employee relationship during that period is immaterial.

(e) *Payments from or to certain tax-exempt trusts or under or to certain annuity plans.* The term "wages" does not include—

(1) Any payment made by an employer, on behalf of an employee or his beneficiary, into a trust or annuity plan, if at the time of such payment the trust is exempt from tax under section 165 (a) of the Internal Revenue Code or the annuity plan meets the requirements of section 165 (a) (3), (4), (5), and (6) of the Internal Revenue Code; or

(2) Any payment made to, or on behalf of, an employee or his beneficiary from a trust or under an annuity plan, if at the time of such payment the trust is exempt from tax under section 165 (a) of the Code or the annuity plan meets

the requirements of section 165 (a) (3), (4), (5), and (6) of the Code.

A payment made to an employee of a trust exempt from tax under section 165 (a) of the Code for services rendered as an employee of such trust and not as a beneficiary of the trust is not within this exclusion from wages.

(f) *Payment by an employer of employees' tax or employees' contributions under a State law.* The term "wages" does not include any payment by an employer (without deduction from the remuneration of, or other reimbursement from, the employee) of either (1) the employee tax imposed by section 1400 of the act, or (2) any payment required from an employee under a State unemployment compensation law.

(g) *Payments other than in cash for certain types of services.* (1) The term "wages" does not include remuneration paid in any medium other than cash (i) for services not in the course of the employer's trade or business, (ii) for domestic service in a private home of the employer, or (iii) for agricultural labor. Cash remuneration includes checks and other monetary media of exchange. Remuneration paid in any medium other than cash, such as lodging, food, clothing, car tokens, transportation passes, farm products, or other goods or commodities, for services of the prescribed character does not constitute wages. Remuneration paid in any medium other than cash for services other than those mentioned in (i), (ii), and (iii) of this subparagraph does not come within this exclusion from wages.

(2) For provisions relating to the circumstances under which services not in the course of the employer's trade or business or agricultural labor does not constitute employment, see §§ 408.210 and 408.208, respectively. For provisions relating to the circumstances under which cash remuneration for domestic service in a private home of the employer or for industrial home work does not constitute wages, see paragraphs (h) and (j) of this section, respectively.

(h) *Cash payments for domestic service.* (1) The term "wages" does not include cash remuneration paid in any calendar quarter by an employer to an employee for domestic servcie in a private home of the employer unless—

(i) The cash remuneration paid by the employer to the employee in the calendar quarter for such service is $50 or more; and

(ii) Such employee is regularly employed by such employer in the calendar quarter in which the payment is made.

Unless the tests set forth in subdivisions (i) and (ii) of this subparagraph are met, cash remuneration for domestic service in a private home of the employer is excluded from wages.

(2) Services of a household nature performed by an employee in or about a private home of the person by whom he is employed constitute domestic service in a private home of the employer. A private home is a fixed place of abode of an individual or family. A separate and distinct dwelling unit maintained by an individual in an apartment house, hotel, or other similar establishment may constitute a private home. If a dwelling house is utilized primarily as a boarding or lodging house for the purpose of supplying board or lodging to the public as a business enterprise, it is not a private home. In general, services of a household nature in or about a private home include services performed by cooks, waiters, butlers, housekeepers, governesses, maids, valets, baby sitters, janitors, laundresses, furnacemen, caretakers, handymen, gardeners, footmen, grooms, and chauffeurs of automobiles for family use. Remuneration for the services above enumerated is not within this exclusion from wages unless performed in or about a private home of the employer. Remuneration for services not of a household nature, such as services performed as a private secretary, tutor, or librarian, even though performed in the employer's home, is not within this exclusion from wages.

(3) The test relating to cash remuneration of $50 or more is based on the remuneration paid in a calendar quarter rather than on the remuneration earned during a calendar quarter. Furthermore, in determining whether $50 or more has been paid for domestic service in a private home of the employer, only cash remuneration for such service shall be taken into account. The term "cash remuneration" includes checks and other monetary media of exchange. Remuneration paid in any other medium, such as lodging, food, clothing, car tokens, transportation passes or tickets, or other goods or commodities, is disregarded in determining whether the cash-remuneration test is met.

(4) For purposes of this exclusion, an individual is deemed to be regularly employed by an employer during a calendar quarter only if:

(i) Such individual performs domestic service in a private home of such employer for some portion of the day on at least 24 days (whether or not consecutive) during such calendar quarter; or

(ii) Such individual was regularly employed (as determined under subdivision (i)) in the performance of domestic service in a private home of such employer during the preceding calendar quarter (including the last calendar quarter of 1950).

(5) In determining whether an employee has performed domestic service in a private home of the employer on at least 24 days during a calendar quarter, there shall be counted as one day—

(i) Any day or portion thereof on which the employee actually performs such service; and

(ii) Any day or portion thereof on which the employee does not perform domestic service in a private home of the employer but with respect to which cash remuneration is paid or payable to the employee for such service, such as a day on which the employee is sick or on vacation.

An employee who on a particular day reports for work and, at the direction of his employer, holds himself in readiness to perform domestic service in a private home of the employer shall be considered to be engaged in the actual performance of such service on that day. For purposes of this exclusion, a day is a period of 24 hours commencing at midnight and ending at midnight.

(6) An employer may, for purposes of the act, elect to compute to the nearest dollar any payment of cash remuneration for domestic service in a private home of the employer which is more or less than a whole-dollar amount. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to one dollar. For example, any amount actually paid between $4.50 and $5.49, inclusive, may be treated as $5.00 for purposes of the act. If an employer elects this method of computation with respect to any payment of cash remuneration made in a calendar quarter for domestic service in his private home, he must use the same method in computing each payment of cash remuneration of more or less than a whole-dollar amount made to each of his employees in such calendar quarter for domestic service in his private home. Moreover, if an employer elects this method of computation with respect to payments of the prescribed character made in any calendar quarter, the amount of each payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of the regulations in this part. Thus, the amount of cash payments so computed to the nearest dollar shall be used for purposes of determining whether such payments constitute wages; for purposes of applying the employee and employer tax rates to the wage payments; for purposes of any required record keeping; and for purposes of reporting and paying the employee tax and employer tax with respect to such wage payments.

(7) Domestic service in a private home of the employer performed on a farm operated for profit and services not in the course of the employer's trade or business are not within this exclusion from wages. For provisions relating to domestic service in a private home of the employer performed on a farm operated for profit and services not in the course of the employer's trade or business, see §§ 408.208 and 408.210, respectively.

(8) For provisions relating to the exclusion from wages of remuneration paid in any medium other than cash for domestic service in a private home of the employer, see paragraph (g) of this section.

(i) *Payments to stand-by employees.* The term "wages" does not include any payment (other than vacation or sick pay) made by an employer to an employee after the calendar month in which the employee attains age 65, if:

(1) Such employee does no work (other than being subject to call for the performance of work) for such employer in the period for which such payment is made; and

(2) The employer-employee relationship exists between the employer and

employee throughout the period for which such payment is made.

Vacation or sick pay is not within this exclusion from wages. If the employee does any work for the employer in the period for which the payment is made, no remuneration paid by such employer to such employee with respect to such period is within this exclusion from wages. For example, if employee A is employed by the X Company on a stand-by basis and, after he has attained the age of 65, is paid $200 by the X Company for being subject to call during the month of January 1951 and an additional $25 for work performed for the X Company on one day during that month, then none of the $225 is excluded from wages under this exception.

(j) *Payments to certain home workers.* (1) The term "wages" does not include remuneration paid by an employer in any calendar quarter to an employee for services performed as a home worker who is an employee by reason of the provisions of section 1426 (d) (3) (C) of the act (see § 408.204 (d)), unless the cash remuneration paid in such quarter by the employer to the employee for such services is $50 or more. In the event an employee receives remuneration in any one calendar quarter from more than one employer for services performed as a home worker of the afore-mentioned character, this provision is to be applied with respect to the remuneration received by the employee from each employer in such calendar quarter for such services. This exclusion from wages has no application to remuneration for services performed by a home worker who is an employee by reason of the provisions of section 1426 (d) (2) of the act (see § 408.204 (c)).

(2) The test relating to cash remuneration of $50 or more is based on remuneration paid in a calendar quarter rather than on remuneration earned during a calendar quarter. If $50 or more of cash remuneration is paid in a particular calendar quarter, it is immaterial whether the $50 is in payment for services performed during the quarter of payment or during any previous quarter. Furthermore, the test requires that cash remuneration of $50 or more be paid for services performed by an employee as defined in section 1426 (d) (3) (C) of the act. Cash remuneration includes checks and other monetary media of exchange. Remuneration paid in any other medium, such as clothing, car tokens, transportation passes or tickets, or other goods or commodities, is disregarded in determining whether the cash-remuneration test is met. If the cash remuneration paid by an employer in any calendar quarter for services performed by an employee as defined in section 1426 (d) (3) (C) of the act is $50 or more, then no remuneration, whether in cash or in any medium other than cash, paid by the employer to the employee in such calendar quarter for such services is excluded from wages under this exception.

(k) *Miscellaneous.* In addition to the exclusions specified in paragraphs (a) through (j) of this section, the following types of payments are excluded from wages:

(1) Remuneration for services which do not constitute employment under section 1426 (b) of the act;

(2) Remuneration for services which are deemed not to be employment under section 1426 (c) of the act; and

(3) Tips or gratuities paid directly to an employee by a customer of an employer, and not accounted for by the employee to the employer.

SUBPART C—EMPLOYEE TAX

SECTION 1400 OF THE ACT

RATE OF TAX

In addition to other taxes, there shall be levied, collected, and paid upon the income of every individual a tax equal to the following percentages of the wages (as defined in section 1426 (a)) received by him after December 31, 1936, with respect to employment (as defined in section 1426 (b)) after such date:

(1) With respect to wages received during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 per centum.

(2) With respect to wages received during the calendar years 1950 to 1953, both inclusive, the rate shall be 1½ per centum.

(3) With respect to wages received during the calendar years 1954 to 1959, both inclusive, the rate shall be 2 per centum.

(4) With respect to wages received during the calendar years 1960 to 1964, both inclusive, the rate shall be 2½ per centum.

(5) With respect to wages received during the calendar years 1965 to 1969, both inclusive, the rate shall be 3 per centum.

(6) With respect to wages received after December 31, 1969, the rate shall be 3¼ per centum. (Sec. 1400, I. R. C., as amended by sec. 1, Social Security Act Amendments of 1947, 61 Stat. 793; sec. 201 (a), Social Security Act Amendments of 1950, 64 Stat. 524.)

§ 408.301 *Measure of employee tax.* The employee tax is measured by the amount of wages actually or constructively received on or after January 1, 1951, with respect to employment on or after January 1, 1937. (See §§ 408.202 and 408.203, relating to employment, and §§ 408.226 and 408.227, relating to wages.)

§ 408.302 *Rates and computation of employee tax.* (a) The rates of employee tax applicable for the respective calendar years are as follows:

	Percent
For the calendar years 1951 to 1953, both inclusive	1½
For the calendar years 1954 to 1959, both inclusive	2
For the calendar years 1960 to 1964, both inclusive	2½
For the calendar years 1965 to 1969, both inclusive	3
For the calendar year 1970 and subsequent calendar years	3¼

(b) The employee tax is computed by applying to the wages received by the employee the rate in effect at the time such wages are received.

Example. During 1953 A is an employee of B and is engaged in the performance of services which constitute employment (see § 408.203). In the following year, 1954, A receives from B $1,000 as remuneration for services performed by A in the preceding year. The tax is payable at the 2 percent rate in effect for the calendar year 1954 (the year in which the wages are received) and not at the 1½ percent rate which is in effect for the calendar year 1953 (the year in which the services are performed).

§ 408.303 *When employee tax attaches.* The employees tax attaches at the time that the wages are either actually or constructively received by the employee. Wages are constructively received when they are credited to the account of or set apart for an employee so that they may be drawn upon by him at any time although not then actually reduced to possession. To constitute receipt in such a case the wages must be credited or set apart to the employee without any substantial limitation or restriction as to the time or manner of payment or condition upon which payment is to be made, and must be made available to him so that they may be drawn at any time, and their receipt brought within his own control and disposition. (See § 408.403, relating to the time the employer tax attaches.)

SECTION 1401 (a) AND (b) OF THE ACT

DEDUCTION OF TAX FROM WAGES

(a) *Requirement.* The tax imposed by section 1400 shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid.

(b) *Indemnification of employer.* Every employer required so to deduct the tax shall be liable for the payment of such tax, and shall be indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

SECTION 3661 OF THE INTERNAL REVENUE CODE

ENFORCEMENT OF LIABILITY FOR TAXES COLLECTED

Whenever any person is required to collect or withhold any internal-revenue tax from any other person and to pay such tax over to the United States, the amount of tax so collected or withheld shall be held to be a special fund in trust for the United States. The amount of such fund shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including penalties) as are applicable with respect to the taxes from which such fund arose.

§ 408.304 *Collection of, and liability for, employee tax.* (a) The employer shall collect from each of his employees the employee tax with respect to wages for employment performed for the employer by the employee. The employer shall make the collection by deducting or causing to be deducted the amount of the employee tax from such wages as and when paid, either actually or constructively. The employer is required to collect the tax, notwithstanding the wages are paid in something other than money and to pay the tax to the collector in money. (As to the exclusion from wages of remuneration paid in any medium other than cash for services not in the course of the employer's trade or business, for domestic service in a private home of the employer, or for agricultural labor, see § 408.227 (g).) In collecting employee tax, the employer shall disregard any fractional part of a cent of such tax unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent. The employer is liable for the employee tax with respect to all wages paid by him to each of his employees whether or not it is collected from the employee. If, for example, the employer deducts less than the correct amount of tax, or if he fails to deduct any part of the tax, he is nev-

ertheless liable for the correct amount of the tax. Until collected from him the employee is also liable for the employee tax with respect to all the wages received by him. Any employee tax collected by or on behalf of an employer is a special fund in trust for the United States. The employer is indemnified against the claims and demands of any person for the amount of any payment of such tax made by the employer to the collector.

(b) Section 2707 of the Internal Revenue Code provides severe penalties for a willful failure to pay, collect, or truthfully account for and pay over, the employee tax or for a willful attempt in any manner to evade or defeat the tax. Such penalties may be incurred by any person, including the employer, and any officer or employee of a corporate employer, or member or employee of any other employer, who as such employer, officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

§ 408.305 *Manner and time of payment of employee tax.* The employee tax is payable to the collector in the manner and at the time prescribed in § 408.607.

SECTION 1633 OF THE INTERNAL REVENUE CODE

RECEIPTS FOR EMPLOYEES

(a) *Requirement.* Every person required to deduct and withhold from an employee a tax under section 1400 or 1622, or who would have been required to deduct and withhold a tax under section 1622 if the employee had claimed no more than one withholding exemption, shall furnish to each such employee in respect of the remuneration paid by such person to such employee during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of remuneration is made, a written statement, showing the following: (1) the name of such person, (2) the name of the employee (and his social security account number if wages as defined in section 1426 (a) have been paid), (3) the total amount of wages as defined in section 1621 (a), (4) the total amount deducted and withheld as tax under section 1622, (5) the total amount of wages as defined in section 1426 (a), and (6) the total amount deducted and withheld as tax under section 1400. * * *

(b) *Statements to constitute information returns.* The statements required to be furnished by this section in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe. A duplicate of any such statement if made and filed in accordance with regulations prescribed by the Commissioner with the approval of the Secretary shall constitute the return required to be made in respect to such remuneration under section 147.

(c) *Extension of time.* The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any person a reasonable extension of time (not in excess of thirty days) with respect to the statements required to be furnished under this section. (Sec. 1633, I. R. C., as added by sec. 206 (a), (c), Social Security Act Amendments of 1950, 64 Stat. 537, 538.)

SECTION 1634 OF THE INTERNAL REVENUE CODE

PENALTIES

(a) *Penalties for fraudulent statement or failure to furnish statement.* In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 1633 to furnish a statement who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under section 1633, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof, be fined not more than $1,000, or imprisoned for not more than one year, or both.

(b) *Additional penalty.* In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 1633 to furnish a statement who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under section 1633, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of $50. Such penalty shall be assessed and collected in the same manner as the tax imposed by section 1410. (Sec. 1634, I. R. C., as added by sec. 206 (a), (c), Social Security Act Amendments of 1950, 64 Stat. 537, 538.)

§ 408.306 *Receipts for employees—* (a) *Requirement.* Every employer shall furnish a written statement, with respect to the wages paid during any calendar year commencing after December 31, 1950, to each of his employees. For the requirements as to the furnishing of a written statement on Form W–2 to an employee from whom an employer was required during the calendar year to deduct and withhold employee tax under section 1400 of the act and from whom the employer was also required during such year to deduct and withhold a tax under section 1622 of the Internal Revenue Code (income tax collected at source on wages) or would have been required during such year to deduct and withhold a tax under such section if such employee had claimed no more than one withholding exemption, see the regulations under subchapter D of chapter 9 of the Internal Revenue Code. If during the calendar year an employer pays to an employee wages subject to the employee tax imposed by section 1400 of the act and is not required to furnish to such employee a written statement on Form W–2 for such calendar year, the written statement required to be furnished to such employee shall be in accordance with the provisions of this section. Such statement shall be in a form suitable for retention by the employee and shall show, with respect to the wages paid by the employer to the employee during the calendar year for employment on or after January 1, 1937, the following: (1) The name and address of the employer, (2) the name, address, and social security account number of the employee, (3) the total amount of wages paid, and (4) the total amount of employee tax deducted and withheld from such wages (increased by any adjustment in such year for overcollection, or decreased by any adjustment in such year for undercollection, of employee tax during any prior year). If (i) the amount of employee tax deducted in the calendar year from such wages was less or greater than the tax imposed on such wages by reason of the adjustment in such year of an overcollection or undercollection of employee tax in any prior year, or (ii) regardless of the reason for the error or the method of its correction, the amount of wages or employee tax entered on a statement furnished to the employee for a prior year was incorrect, a corrected statement for such prior year reflecting the adjustment or the correct data shall be furnished to the employee. The statement for the calendar year and the corrected statement for any prior year shall be furnished to the employee on or before January 31 of the year succeeding such calendar year or, if his employment is terminated before the close of the calendar year, on the day on which the last payment of wages is made. No particular form is prescribed for the statement required to be furnished to employees under this section. For the convenience of employers in complying with the requirements of this section, copies of a form of written statement, Form SS–14, have been provided and will be furnished employers by collectors upon application therefor.

(b) *Extension of time for furnishing receipts to employees.* An extension of time, not exceeding 30 days, within which to furnish the written statement provided for in paragraph (a) of this section upon termination of employment is hereby granted to any employer with respect to any employee whose employment is terminated during the calendar year. In the case of intermittent or interrupted employment where there is a reasonable expectation on the part of both the employer and employee of further employment, there is no requirement that a written statement be immediately furnished the employee; but when such expectation ceases to exist, the statement must be furnished within 30 days from that time.

(c) *Penalties for fraudulent receipt or failure to furnish receipt.* Criminal and civil penalties are imposed for the willful failure to furnish a statement in the manner, at the time, and showing the information required by law or regulations prescribed thereunder or for willfully furnishing a false or fraudulent statement. For each such violation, the criminal penalty is a fine of not more than $1,000 or imprisonment for not more than one year, or both, and the civil penalty is a fine of $50. The civil penalty is assessable and collectible in the same manner as the employer tax. Such penalties are in lieu of any other penalties provided by law respecting the failure to furnish a statement or the furnishing of a false or fraudulent statement.

SUBPART D—EMPLOYER TAX

SECTION 1410 OF THE ACT

RATE OF TAX

In addition to other taxes, every employer shall pay an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 1426 (a)) paid by him after December 31, 1936, with respect to employment (as defined in section 1426 (b)) after such date:

(1) With respect to wages paid during the calendar years 1939 to 1949, both inclusive, the rate shall be 1 per centum.

(2) With respect to wages paid during the calendar years 1950 to 1953, both inclusive, the rate shall be 1½ per centum.

(3) With respect to wages paid during the calendar years 1954 to 1959, both inclusive, the rate shall be 2 per centum.

(4) With respect to wages paid during the calendar years 1960 to 1964, both inclusive, the rate shall be 2½ per centum.

(5) With respect to wages paid during the calendar years 1965 to 1969, both inclusive, the rate shall be 3 per centum.

(6) With respect to wages paid after December 31, 1969, the rate shall be 3¼ per centum. (Sec. 1410, I. R. C., as amended by sec. 2, Social Security Act Amendments of 1947, 61 Stat. 793; sec. 201 (b), Social Security Act Amendments of 1950, 64 Stat. 524.)

§ 408.401. *Measure of employer tax.* The employer tax is measured by the amount of wages actually or constructively paid on or after January 1, 1951, with respect to employment on or after January 1, 1937. (See §§ 408.202 and 408.203, relating to employment, and §§ 408.226 and 408.227, relating to wages.)

§ 408.402 *Rates and computation of employer tax.* (a) The rates of employer tax applicable for the respective calendar years are as follows:

	Percent
For the calendar years 1951 to 1953, both inclusive	1½
For the calendar years 1954 to 1959, both inclusive	2
For the calendar years 1960 to 1964, both inclusive	2½
For the calendar years 1965 to 1969, both inclusive	3
For the calendar year 1970 and subsequent calendar years	3¼

(b) The employer tax is computed by applying to the wages paid by the employer the rate in effect at the time such wages are paid.

§ 408.403 *When employer tax attaches.* The employer tax attaches at the time that the wages are either actually or constructively paid by the employer. Wages are constructively paid when they are credited to the account of or set apart for an employee so that they may be drawn upon by him at any time although not then actually reduced to possession. To constitute payment in such a case the wages must be credited or set apart to the employee without any substantial limitation or restriction as to the time or manner of payment or condition upon which payment is to be made, and must be made available to him so that they may be drawn at any time, and their payment brought within his own control and disposition. (See § 408.303, relating to the time the employee tax attaches.)

§ 408.404 *Liability for employer tax.* The employer is liable for the employer tax with respect to the wages paid to his employees for employment performed for him.

§ 408.405 *Manner and time of payment of employer tax.* The employer tax is payable to the collector in the manner and at the time prescribed in § 408.607.

SUBPART E—IDENTIFICATION OF TAXPAYERS

SECTION 1420 (a) AND (c) OF THE ACT

COLLECTION AND PAYMENT OF TAXES

(a) *Administration.* The taxes imposed by this subchapter shall be collected by the Bureau of Internal Revenue under the direction of the Secretary and shall be paid into the Treasury of the United States as internal-revenue collections.

(c) *Method of collection and payment.* Such taxes shall be collected and paid in such manner, at such times, and under such conditions, not inconsistent with this subchapter (either by making and filing returns, or by stamps, coupons, tickets, books, or other reasonable devices or methods necessary or helpful in securing a complete and proper collection and payment of the tax or in securing proper identification of the taxpayer), as may be prescribed by the Commissioner, with the approval of the Secretary.

SECTION 1430 OF THE ACT

OTHER LAWS APPLICABLE

All provisions of law, including penalties, applicable with respect to any tax imposed by section 2700 or section 1800, and the provisions of section 3661, shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable with respect to the taxes imposed by this subchapter. (Sec. 1430, I. R. C., as amended by sec. 903, Social Security Act Amendments of 1939, 53 Stat. 1400.)

SECTION 2709 OF THE INTERNAL REVENUE CODE, MADE APPLICABLE BY SECTION 1430 OF THE ACT

RECORDS, STATEMENTS, AND RETURNS

Every person liable to any tax imposed by this subchapter, or for the collection thereof, shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations, as the Commissioner, with the approval of the Secretary, may from time to time prescribe.

§ 408.501 *Employers' identification numbers*—(a) *In general.* Except as provided in paragraph (b) of this section, every employer who on or after January 1, 1951, has in his employ one or more individuals in employment for wages, but who prior to such date has neither secured an identification number nor made application therefor, shall make an application, in duplicate, on Form SS–4 for an identification number. Each application, together with any supplementary statement, shall be prepared in accordance with the instructions and regulations applicable thereto, and shall set forth fully and clearly the data therein called for. The employer shall file the application either with the collector for the district in which his principal place of business is located, or with the nearest field office of the Social Security Administration in the State in which such place of business is located, or, if the employer has no principal place of business in a collection district of the United States, with the collector at Baltimore, Md. An employer who has no principal place of business but whose legal residence is in Puerto Rico or in the Virgin Islands shall file the application with the collector's office in Puerto Rico, or the collector's office in the Virgin Islands, as the case may be, or with the nearest field office of the Social Security Administration. The application shall be filed on or before the seventh day after the date on which employment for wages for such employer first occurs. Copies of Form SS–4 may be obtained from any collector or from any field office of the Social Security Administration. Each application shall be signed by (1) the individual, if the employer is an individual; (2) the president, vice president, or other principal officer, if the employer is a corporation; (3) a responsible and duly authorized member or officer having knowledge of its affairs, if the employer is a partnership or other unincorporated organization; or (4) the fiduciary, if the employer is a trust or estate. An identification number will be assigned to the employer in due course upon the basis of information reported on the application required under this section. Identification numbers assigned to employers who are required to make application therefor shall be shown in their records, returns, and claims to the extent required by §§ 408.605, 408.607 (b), 408.609, and 408.801 and by the instructions relating to Form 941, Form 941 PR, and Form 941 V. I., and to Form 450.

(b) *Household employers.* An employer, other than an employer whose legal residence is in Puerto Rico or the Virgin Islands, who has in his employ only employees who are engaged exclusively in the performance of domestic service in his private home not on a farm operated for profit (see § 408.227 (h)) is not required to apply for an identification number, and the provisions of paragraph (a) of this section are not applicable with respect to such an employer.

§ 408.502 *Employees' account numbers.* (a) Every employee who on or after January 1, 1951, is in employment for wages, but who prior to such date has neither secured an account number nor made application therefor, shall make an application on Form SS–5 for an account number. Each application shall be prepared in accordance with the instructions and regulations applicable thereto, and shall set forth fully and clearly the data therein called for. Such employee shall file the application with the field office of the Social Security Administration nearest his place of employment, or, if the employee is not working within the United States, with the office of the Social Security Administration at Baltimore, Md. The application shall be filed on or before the seventh day after the date on which the employee first performs employment for wages, except that the application shall be filed on or before the date the employee leaves the employ of his employer if such date precedes such seventh day. Copies of Form SS–5 may be obtained from any field office of the Social Security Administration or from any collector. An account number will be assigned to the employee by the Social Security Administration in due course upon the basis of information reported on the application required under this section. A card showing the name and account number of an employee to whom an account number has been assigned will be furnished to the employee by the Social Security Administration.

(b) Any employee may have his account number changed at any time by

applying to a field office of the Social Security Administration and showing good reasons for a change. With that exception, only one account number will be assigned to an employee. Any employee whose name is changed by marriage or otherwise, or who has stated incorrect information on Form SS–5, should report such change or correction to a field office of the Social Security Administration. Copies of the form for making such reports may be obtained from any field office of the Administration.

§ 408.503 *Duties of employee with respect to his account number.* (a) An employee shall, on the day on which he enters the employ of any employer for wages, comply with subparagraph (1), (2), (3), or (4) of this paragraph:

(1) If the employee has been issued an account number card by the Social Security Administration and has the card available, the employee shall show it to the employer.

(2) If the employee does not have available the account number card issued to him by the Social Security Administration but knows what his account number is, and what his name is, exactly as shown on such card, the employee shall advise the employer of such number and name. Care must be exercised that the employer is correctly advised of such number and name.

(3) If the employee does not have an account number card but has available a receipt issued to him by an office of the Social Security Administration acknowledging that an application for an account number has been received, the employee shall show such receipt to the employer.

(4) If an employe is unable to comply with the requirement of subparagraph (1), (2), or (3) of this paragraph, the employee shall furnish to the employer an application on Form SS–5, completely filled in and signed by the employee. If a copy of Form SS–5 is not available, the employee shall in lieu thereof furnish to the employer a statement in writing, signed by the employee, setting forth the date of the statement, the employee's full name, present address, date and place of birth, father's full name, mother's full name before marriage, and employee's sex and color, including a statement as to whether the employee has previously filed an application on Form SS–5 and, if so, the date and place of such filing. The furnishing of an executed form SS–5, or statement in lieu thereof, by the employee to the employer does not relieve the employee of his obligation to make an application on Form SS–5 and file it with the field office of the Social Security Administration as required by § 408.502. The provisions of this subparagraph are not applicable to an employee engaged exclusively in the performance of domestic service in a private home of his employer not on a farm operated for profit, or in the performance of agricultural labor, if the services are performed for an employer other than an employer whose principal place of business, or whose legal residence if he has no principal place of business, is located in Puerto Rico or the Virgin Islands.

(For provisions relating to the duties of an employer when furnished the information required by subparagraph (1), (2), or (3) of this paragraph, and the disposition to be made by the employer of an executed Form SS–5 or a statement in lieu thereof furnished to him by the employee as required by subparagraph (4) of this paragraph, see § 408.504.)

(b) Every employee who, on the day on which he enters the employ of any employer for wages, has an account number card but for any reason does not show such card to the employer on such day shall promptly thereafter show the card to the employer. An employee who does not have an account number card on the day on which he enters the employ of any employer for wages shall, upon receipt of an account number card from the Social Security Administration, promptly show such card to the employer, if he is still in the employ of that employer. If an employee has left the employ of an employer when the employee receives an account number card from the Social Security Administration, he shall promptly advise the employer of his account number and name exactly as shown on such card. The account number originally assigned to an employee (or the number as changed in accordance with § 408.502) shall be used by the employee even though he enters the employ of other employers.

§ 408.504 *Duties of employer with respect to employees' account numbers*—(a) *When individual has entered his employ.* (1) Upon being shown the account number card issued to an employee by the Social Security Administration, the employer shall enter the account number and name, exactly as shown on the card, in his records, returns, and claims to the extent required by §§ 408.605 and 408.609, by the instructions relating to the applicable return form, and by § 408.801. Upon failure of an employee to show his employer his account number card when he enters the employ of the employer for wages, the employer shall request the employee to show him such card. If the employee has not been assigned an account number and has not filed an application therefor with a field office of the Social Security Administration, the employer shall, when the employee enters his employ for wages, inform the employee of his duties under §§ 408.502 and 408.503.

(2) With respect to an employee who on the day he enters the employ of an employer for wages does not show the employer an account number card issued to the employee by the Social Security Administration, the employer shall comply with subdivision (i), (ii), or (iii) of this subparagraph:

(i) If the employee advises the employer of his number and name as shown on his account number card, as provided in § 408.503 (a) (2) the employer shall enter such number and name in his records.

(ii) If the employee shows the employer, as provided in § 408.503 (a) (3), a receipt issued to him by an office of the Social Security Administration acknowledging that an application for an account number has been received from the employee, the employer shall enter in his records with respect to such employee the date of issue of the receipt, its termination date, the address of the issuing office, and the name and address of the employee exactly as shown on the receipt. The receipt shall be retained by the employee.

(iii) If the employee furnishes to the employer, as provided in § 408.503 (a) (4), an executed Form SS–5 or statement in lieu thereof, the employer shall retain the form or statement for disposition as provided below.

(3) In any case in which the employee's account number is for any reason unknown to the employer at the time the employer's return is filed for any calendar quarter in which the employee receives wages from such employer—

(i) If the employee has shown to the employer, as provided in § 408.503 (a) (3), a receipt issued to him by an office of the Social Security Administration acknowledging that an application for an account number has been received from the employee, the employer shall enter on the return, with the entry with respect to the employee, the name and address of the employee exactly as shown on the receipt, the date of issue of the receipt, and the address of the issuing office; or

(ii) If the employee has furnished to the employer, as provided in § 408.503 (a) (4), an executed Form SS–5 or statement in lieu thereof, the employer shall attach such form or statement to the return for the first calendar quarter in which the employee receives wages from such employer and shall make and retain a copy thereof for use in preparing any additional copies required for attachment to any returns subsequently filed on which wages received by such employee from the employer are reported but on which neither an employee account number nor the required information relating to the receipt for an application for an account number is reported: or

(iii) If neither (i) nor (ii) of this subparagraph is applicable, the employer shall, except as provided in the first sentence of subparagraph (4) of this paragraph, attach to the return a Form SS–5 or statement, signed by the employer, setting forth as fully and clearly as practicable the employee's full name, his present or last known address, date and place of birth, father's full name, mother's full name before marriage, the employee's sex and color, and a statement as to whether an application for an account number has previously been filed by the employee and, if so, the date and place of such filing. The employer shall also insert in such Form SS–5 or statement an explanation of why he has not secured from the employee a Form SS–5 or statement signed by the employee as provided in § 408.503 (a) (4), and shall insert the word "Employer" as part of his signature.

(4) The provisions of subdivision (iii) of subparagraph (3) of this paragraph are not applicable with respect to an employee engaged exclusively in the performance of domestic service in a private home of his employer not on a farm operated for profit, or in the performance of agricultural labor, if the services are per-

formed for an employer other than an employer whose principal place of business, or whose legal residence if he has no principal place of business, is located in Puerto Rico or the Virgin Islands. If any such employee has not furnished to the employer the information required by paragraph (a) (1), (2), or (3) of § 408.503 prior to the time the employer's return is filed for any calendar quarter in which the employee receives wages from such employer, the employer shall enter the word "Unknown" in the account number column of the return and (i) file with the return a statement showing the employee's name and address, or (ii) enter the employee's address on the return form immediately below the name of the employee.

(5) If the employee advises his employer what his name and account number are as shown on his account number card prior to the time the employer's return is filed and the employer enters such name and number on the return, the employer shall return to the employee any executed Form SS–5 or statement in lieu thereof furnished by the employee to the employer in accordance with § 408.503 (a) (4), together with any copy thereof retained by the employer in accordance with the provisions of subparagraph (3) (ii) of this paragraph.

(6) Employers may obtain copies of Form SS–5 from any field office of the Social Security Administration or from any collector.

(b) *Prospective employees.* While not mandatory, it is suggested that the employer advise any prospective employee who does not have an account number of the requirements of §§ 408.502 and 408.503.

SUBPART F—RETURNS, PAYMENT OF TAX, AND RECORDS

SECTION 1420 OF THE ACT

COLLECTION AND PAYMENT OF TAXES

(a) *Administration.* The taxes imposed by this subchapter shall be collected by the Bureau of Internal Revenue under the direction of the Secretary and shall be paid into the Treasury of the United States as internal-revenue collections.

* * * * *

(c) *Method of collection and payment.* Such taxes shall be collected and paid in such manner, at such times, and under such conditions, not inconsistent with this subchapter (either by making and filing returns, or by stamps, coupons, tickets, books, or other reasonable devices or methods necessary or helpful in securing a complete and proper collection and payment of the tax or in securing proper identification of the taxpayer), as may be prescribed by the Commissioner, with the approval of the Secretary.

(d) *Fractional parts of a cent.* In the payment of any tax under this subchapter a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent.

(e) *Federal service.* In the case of the taxes imposed by this subchapter with respect to service performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, * * * the return and payment of the taxes imposed by this subchapter, shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 1410 with respect to such service without regard to the $3,600 limitation in section 1426 (a) (1), and he shall not be required to obtain a refund of the tax paid under section 1410 on that part of the remuneration not included in wages by reason of section 1426 (a) (1). The provisions of this subsection shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of this subsection the Secretary of Defense shall be deemed to be the head of such instrumentality. (Sec. 1420, I. R. C., as amended by sec. 202 (b), (d), Social Security Act Amendments of 1950, 64 Stat. 524, 525.)

SECTION 3310 (f) OF THE INTERNAL REVENUE CODE

RETURNS AND PAYMENT OF TAX

Discretion allowed Commissioner—(1) *Returns and payment of tax.* Notwithstanding any other provision of law relating to the filing of returns or payment of any tax imposed by chapter 9 * * *, the Commissioner may by regulations approved by the Secretary prescribe the period, for which the return for such tax shall be filed, the time for the filing of such return, the time for the payment of such tax, and the number of copies of the return required to be filed.

(2) *Use of Government depositaries.* The Secretary may authorize Federal Reserve banks, and incorporated banks or trust companies which are depositaries or financial agents of the United States, to receive any tax imposed by this title, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks and trust companies is to be treated as payment of such tax to the collector. (Sec. 3310 (f), I. R. C., as added by sec. 7 (a), Act of Aug. 27, 1949, 63 Stat. 668.)

SECTION 1430 OF THE ACT

OTHER LAWS APPLICABLE

All provisions of law, including penalties, applicable with respect to any tax imposed by section 2700 or section 1800, and the provisions of section 3661, shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable with respect to the taxes imposed by this subchapter. (Sec. 1430, I. R. C., as amended by sec. 903, Social Security Act Amendments of 1939, 53 Stat. 1400.)

SECTION 2709 OF THE INTERNAL REVENUE CODE, MADE APPLICABLE BY SECTION 1430 OF THE ACT

RECORDS, STATEMENTS, AND RETURNS

Every person liable to any tax imposed by this subchapter, or for the collection thereof, shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations, as the Commissioner, with the approval of the Secretary, may from time to time prescribe.

SECTION 2701 OF THE INTERNAL REVENUE CODE, MADE APPLICABLE BY SECTION 1430 OF THE ACT

RETURNS

Every person liable for the tax * * * shall make * * * returns under oath * * * to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

SECTION 3603 OF THE INTERNAL REVENUE CODE

NOTICE REQUIRING RECORDS, STATEMENTS, AND SPECIAL RETURNS

Whenever in the judgment of the Commissioner necessary he may require any person, by notice served upon him, to make a return, render under oath such statements, or keep such records as the Commissioner deems sufficient to show whether or not such person is liable to tax.

SECTION 3632 OF THE INTERNAL REVENUE CODE

AUTHORITY TO ADMINISTER OATHS, TAKE TESTIMONY, AND CERTIFY

(a) *Internal Revenue personnel*—

(1) *Persons in charge of administration of internal revenue laws generally.* Every collector, deputy collector, internal revenue agent, and internal revenue officer assigned to duty under an internal revenue agent, is authorized to administer oaths and to take evidence touching any part of the administration of the internal revenue laws with which he is charged, or where such oaths and evidence are authorized by law or regulation authorized by law to be taken.

(2) *Persons in charge of exports and drawbacks.* Every collector of internal revenue and every superintendent of exports and drawbacks is authorized to administer such oaths and to certify to such papers as may be necessary under any regulation prescribed under the authority of the internal revenue laws.

(b) *Others.* Any oath or affirmation required or authorized by any internal revenue law or by any regulations made under authority thereof may be administered by any person authorized to administer oaths for general purposes by the law of the United States, or of any State, Territory, or possession of the United States, or of the District of Columbia, wherein such oath or affirmation is administered, or by any consular officer of the United States. This subsection shall not be construed as an exclusive enumeration of the persons who may administer such oaths or affirmations.

SECTION 3809 OF THE INTERNAL REVENUE CODE

VERIFICATION OF RETURNS; PENALTIES OF PERJURY

(a) *Penalties.* Any person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than $2,000 or imprisoned not more than five years, or both.

(b) *Signature presumed correct.* The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

(c) *Verification in lieu of oath.* The Commissioner, under regulations prescribed by him with the approval of the Secretary, may

require that any return, statement, or other document required to be filed under any provision of the internal revenue laws shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required. (Sec. 3809, I. R. C., as added by sec. 4 (a), (c), Act of Aug. 27, 1949, 63 Stat. 667, 668.)

SECTION 3612 (a), (b), AND (c) OF THE INTERNAL REVENUE CODE

RETURNS EXECUTED BY COMMISSIONER OR COLLECTOR

(a) *Authority of collector.* If any person fails to make and file a return or list at the time prescribed by law or by regulation made under authority of law, or makes, willfully or otherwise, a false or fraudulent return or list, the collector or deputy collector shall make the return or list from his own knowledge and from such information as he can obtain through testimony or otherwise.

(b) *Authority of Commissioner.* In any such case the Commissioner may, from his own knowledge and from such information as he can obtain through testimony or otherwise—

(1) *To make return.* Make a return, or

(2) *To amend collector's return.* Amend any return made by a collector or deputy collector.

(c) *Legal status of returns.* Any return or list so made and subscribed by the Commissioner, or by a collector or deputy collector and approved by the Commissioner, shall be prima facie good and sufficient for all legal purposes.

SECTION 3614 (a) OF THE INTERNAL REVENUE CODE

EXAMINATION OF BOOKS AND WITNESSES

To determine liability of the taxpayer. The Commissioner, for the purpose of ascertaining the correctness of any return or for the purpose of making a return where none has been made, is authorized, by any officer or employee of the Bureau of Internal Revenue, including the field service, designated by him for that purpose, to examine any books, papers, records, or memoranda bearing upon the matters required to be included in the return, and may require the attendance of the person rendering the return or of any officer or employee of such person, or the attendance of any other person having knowledge in the premises, and may take his testimony with reference to the matter required by law to be included in such return, with power to administer oaths to such person or persons.

SECTION 2702 (a) OF THE INTERNAL REVENUE CODE, MADE APPLICABLE BY SECTION 1430 OF THE ACT

PAYMENT OF TAX

Date of payment. The tax shall, without assessment by the Commissioner or notice from the collector, be due and payable to the collector for the district in which is located the principal place of business, at the time fixed * * * for filing the return.

§ 408.601 *Tax and information returns*—(a) *In general.* Every employer shall make a tax and information return for the first calendar quarter after December 31, 1950, within which he pays wages, and for each subsequent calendar quarter (whether or not wages are paid therein) until he files a final return as required by § 408.603. Every employer required to make a tax and information return for the calendar quarter ended December 31, 1950, shall make a tax and information return for each subsequent calendar quarter (whether or not wages are paid therein) until he files a final return as required by § 408.603. Form 941 is the form prescribed for making a tax and information return, except as provided in paragraphs (b) and (c) of this section.

(b) *Domestic service in a private home not on a farm operated for profit.* Form 942 is the form prescribed for use by every employer in reporting wages paid by him for domestic service in a private home not on a farm operated for profit. If, however, in addition to paying such wages in the current calendar quarter the employer in such quarter or a prior calendar quarter also paid wages for other services and is required to make a tax and information return for such current quarter on Form 941, the employer, at his election, may—

(1) Report all wages on Form 941, or

(2) Report on Form 942 the wages for domestic service in a private home not on a farm operated for profit, and report on Form 941 the wages for other services.

An employer entitled to make the election referred to in the preceding sentence who has chosen one method shall not change to the other method without first notifying the collector with whom he is required to file his returns that he will thereafter use such other method. The provisions of this paragraph shall not apply to any employer whose principal place of business, or whose legal residence if he has no principal place of business, is located in Puerto Rico or the Virgin Islands.

(c) *Employers in Puerto Rico and the Virgin Islands.* Form 941 PR is the form prescribed for use by every employer whose principal place of business, or whose legal residence if he has no principal place of business, is located in Puerto Rico. Form 941 V. I. is the form prescribed for use by every employer whose principal place of business, or whose legal residence if he has no principal place of business, is located in the Virgin Islands. However, Form 941 is the form prescribed for use by every such employer who is also required to deduct and withhold income tax at source on wages under section 1622 of the Internal Revenue Code.

§ 408.602 *When to report wages.* Wages shall be reported in the tax return for the period in which they are actually paid unless they were constructively paid in a prior tax-return period, in which case such wages shall be reported only in the return for such prior period.

§ 408.603 *Final returns.* (a) The last return on Form 941, Form 941 PR, or Form 941 V. I., for any employer who ceases to pay wages shall be marked "Final return" by the employer or the person filing the return. Such final return shall be filed with the collector on or before the thirtieth day after the date on which the final payment of wages is made for services performed for the employer, and shall plainly show the period covered by the return. If, however, an employer (other than an employer whose principal place of business, or whose legal residence if he has no principal place of business, is located in Puerto Rico or the Virgin Islands) ceases during a calendar quarter to pay wages for services other than for domestic service in a private home not on a farm operated for profit but pays wages in such calendar quarter for such domestic service which are reportable on Form 941 and expects to continue during such calendar quarter to pay wages for such domestic service, then such employer shall make a tax and information return on Form 941 for the entire calendar quarter. Such return shall be marked "Final return", irrespective of whether the employer expects to pay wages in the future for such domestic service, and shall be filed with the collector on or before the last day prescribed for the filing of returns under § 408.606. An employer required to make a return on Form 941, Form 941 PR, or Form 941 V. I., who has only temporarily ceased to pay wages, including an employer engaged in seasonal activities, shall continue to file returns, but shall enter on the face of any return on which no wages are required to be reported the date of the last payment of wages and the date when he expects to resume paying wages to one or more employees. If an employer ceases to pay wages as defined in section 1426 (a) but continues to pay wages as defined in section 1621 (a), no final return on Form 941 should be filed so long as he continues to pay such wages. However, if an employer who has been paying remuneration which constitutes wages as defined in each of such sections permanently ceases to pay such wages, a final return is required of such employer.

(b) There shall be executed as part of each final return on Form 941, Form 941 PR, or Form 941 V. I., a statement giving the address at which the records required by § 408.609 will be kept, the name of the person keeping such records, and, if the business has been sold or otherwise transferred to another person, the name and address of such person and the date on which such sale or other transfer took effect. If no such sale or transfer occurred or the employer does not know the name of the person to whom the business was sold or transferred, that fact should be included in the statement. In the case of a final return on Form 941, the statement shall also set forth the date of the last payment of wages for services other than domestic service not on a farm operated for profit, and whether or not the employer will pay wages in the future for such domestic service. In the case of a final return on Form 941 PR or Form 941 V. I., the statement shall also set forth the date of the last payment of wages.

(c) The last return on Form 942 for any employer who ceases to pay wages for domestic service in a private home not on a farm operated for profit shall be marked "Final return" by the employer or the person filing the return.

§ 408.604 *Execution of returns*—(a) *Requirement.* Each return shall be signed by the employer and shall contain or be verified by a written declaration that it is made under the penalties of perjury. The return shall be signed and verified by (1) the individual, if the employer is an individual; (2) the president, vice president, or other principal officer, if the employer is a corporation; (3) a re-

sponsible and duly authorized member or officer having knowledge of its affairs, if the employer is a partnership or other unincorporated organization; or (4) the fiduciary, if the employer is a trust or estate. The employer's return may be executed by an agent in the name of the employer if an acceptable power of attorney is filed with the collector and if such return includes the wages paid to all employees of the employer for the period covered by the return. In the case of the United States or any instrumentality which is wholly owned by the United States, the return shall be signed and verified by the head of the Federal agency or instrumentality having control of the services with respect to which the taxes are imposed, or by such agent or agents as such head may designate.

(b) *Penalties of perjury.* Section 3809 (a) of the Internal Revenue Code provides that any person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony. The punishment for such offense, upon conviction thereof, is a fine of not more than $2,000 or imprisonment for not more than five years, or both.

§ 408.605 *Use of prescribed forms.* (a) Copies of the prescribed return forms will so far as possible be regularly furnished employers by collectors without application therefor. An employer will not be excused from making a return, however, by the fact that no return form has been furnished to him. Employers not supplied with the proper forms should make application therefor to the collector in ample time to have their returns prepared, verified, and filed with the collector on or before the due date. (See § 408.606, relating to the place and time for filing returns; see also § 408.603, relating to final returns.) If the prescribed form is not available, a statement made by the employer disclosing the amount of wages paid during the period for which a return is required and the amount of taxes due may be accepted as a tentative return. If filed within the prescribed time the statement so made will relieve the employer from liability for the addition to tax imposed for the delinquent filing of the return (see § 408.909, relating to the addition to tax), provided that without unnecessary delay such tentative return is supplemented by a return made on the proper form.

(b) Each return, together with a copy thereof, if the return is filed on Form 941, Form 941 PR, or Form 941 V. I., and any supporting data, shall be filled in and disposed of in accordance with the instructions and regulations applicable thereto. (See § 408.606, relating to the place and time for filing returns, and § 408.609 (c) and (e), relating to copies of returns, schedules, and statements, and to the place and period for keeping records.) The return shall be carefully prepared so as fully and accurately to set forth the data therein called for. Returns which have not been so prepared will not be accepted as meeting the requirements of the act. Only one return on any one prescribed form for a tax-return period shall be filed by or for an employer. Any supplemental return filed for such period in accordance with § 408.702 of § 408.703 shall constitute a part of such return. Consolidated returns of parent and subsidiary corporations are not permitted.

(c) If in a return, or in any other manner, the employer fails to report, or incorrectly reports, to the collector, the name, account number, or wages of an employee, the employer shall fully advise the collector of the omission or error by letter; except that such letter is not required if the omission or error is corrected by adjustment, supplemental return, credit, refund, or abatement, within seven months after the date the correct data are ascertained. The employer shall include in such letter his identification number (except that an identification number need not be included if the omission or error is with respect to information required to be reported on a return on Form 942), each tax-return period for which the data were omitted or for which the incorrect data were furnished, the data incorrectly reported for each period, and the data which should have been reported. A copy of such letter shall be retained by the employer as a part of his records.

§ 408.606 *Place and time for filing returns.* Each return on Form 941 shall be filed with the collector for the district in which is located the principal place of business of the employer, or, if the employer has no principal place of business in a collection district of the United States, with the collector at Baltimore, Md. Each return on Form 941 PR shall be filed with the collector's office in Puerto Rico, and each return on Form 941 V. I. shall be filed with the collector's office in the Virgin Islands. Each return on Form 942 shall be filed with the collector for the district in which is located the legal residence of the employer. Except as provided in § 408.603, relating to final returns, each return shall be filed on or before the last day of the first month following the period for which it is made. However, if, and only if, the return is accompanied by depositary receipts, Form 450, showing timely deposits, in full payment of the taxes due for the entire calendar quarter, the return may be filed on or before the 10th day of the second month following the period for which it is made. For the purpose of the preceding sentence, the timeliness of the deposit will be determined by the date of the endorsement by a designated commercial bank or by a Federal Reserve bank made on the reverse side of Form 450. Deposit of the taxes for the last month of the calendar quarter with a designated commercial bank or a Federal Reserve bank, as the case may be, may be made on or before the last day of the first month following the close of such quarter. If the last day for filing any return falls on Sunday or a legal holiday, the return may be filed on the next following business day. If placed in the mails, the return shall be posted in ample time to reach the collector's office, under ordinary handling of the mails, on or before the due date. As to additions to tax for failure to file a return within the prescribed time, see § 408.909. See also section 2707 of the Internal Revenue Code relating to penalties.

§ 408.607 *Payment of tax*—(a) *In general.* The employee tax and the employer tax required to be reported on each return on Form 941, Form 941 PR, Form 941 V. I., or Form 942 are due and payable to the collector, without assessment by the Commissioner or notice by the collector, at the time fixed for filing such return. For provisions relating to interest, additions to tax, and penalties, see §§ 408.907, 408.908, and 408.909 and section 2707 of the Internal Revenue Code.

(b) *Use of Federal Reserve banks and authorized commercial banks in connection with payment of taxes*—(1) *Requirement.* Except as provided in subparagraph (2) of this paragraph, if during any calendar month the aggregate amount of

(i) The employee tax withheld under section 1401,

(ii) The employer tax for such month under section 1410, and

(iii) The income tax withheld at source on wages under section 1622,

of the Internal Revenue Code, exclusive of taxes with respect to wages reportable on a return on Form 942, exceeds $100 in the case of an employer, it will be the duty of such employer to deposit such amount within 15 days after the close of such calendar month with a Federal Reserve bank. The remittance of such amount shall be accompanied by a Federal Depositary Receipt (Form 450). Such depositary receipt shall be prepared in accordance with the instructions and regulations applicable thereto. The employer, at his election, may forward such remittance, together with such depositary receipt, to a commercial bank authorized in accordance with Treasury Department Circular No. 848 to accept remittances of the aforementioned taxes for transmission to a Federal Reserve bank. After the Federal Reserve bank has validated the depositary receipt, such depositary receipt will be returned to the employer. Every employer making deposits pursuant to this section shall attach to his return for the calendar quarter with respect to which such deposits are made, in part or full payment of the taxes shown thereon, depositary receipts so validated, and shall pay to the collector the balance, if any, of the taxes due for such quarter.

(2) *Payments for last month of the calendar quarter.* With respect to the taxes specified in subparagraph (1) of this paragraph for the last month of the calendar quarter, the employer may either include with his return direct remittance to the collector for the amount of such taxes or attach to such return a depositary receipt validated by a Federal Reserve bank as provided in subparagraph (1) of this paragraph. Payment of the taxes required to be reported on each return, in the form of validated depositary receipts or direct

remittances, shall be made to the collector at the time fixed for filing such return. If a deposit is made for the last month of the quarter, the employer shall make it in ample time (whether before, on, or after the 15th day of the succeeding month) to enable the Federal Reserve bank to return the validated receipt to the employer so that it can be attached to and filed with the employer's return at the time so fixed.

(3) *Procurement of prescribed form.* Initially, Form 450, Federal Depositary Receipt, will so far as possible be furnished the employer by the collector. An employer not supplied with the proper form should make application therefor to the collector in ample time to have such form available for use in making his initial deposit within the time prescribed in subparagraph (1) of this paragraph. Thereafter a blank form will be sent to the employer by the Federal Reserve bank when returning the validated depositary receipt. An employer may secure additional forms from a Federal Reserve bank by applying therefor and advising the bank of his identification number. The employer's identification number and name, on each depositary receipt, should be the same as they are required to be shown on the return to be filed with the collector. The address of the employer, as shown on each depositary receipt, should be the address to which the receipt should be returned following validation by the Federal Reserve bank.

§ 408.608 *When fractional part of cent may be disregarded.* In the payment of taxes to the collector a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent. Fractional parts of a cent shall not be disregarded in the computation of taxes. See § 408.304 for provisions relating to fractional parts of a cent in connection with the deduction of employee tax from wages.

§ 408.609 *Records*—(a) *Records of employers.* (1) Every employer liable for tax shall keep accurate records of all remuneration paid to his employees after December 31, 1950, for services performed for him after December 31, 1936. Such records shall show with respect to each employee—

(i) The name, address, and account number of the employee (see § 408.504, relating to account numbers), and such additional information with respect to the employee as is required by § 408.504 (a) when the employee does not advise the employer what his account number and name are as shown on an account number card issued to the employee by the Social Security Administration;

(ii) To the extent material to the determination of tax liability, the dates on which the employee worked during each calendar quarter, including the days for which remuneration is paid or payable to the employee, and the character of the services performed (see §§ 408.210 and 408.227 (h), relating respectively to services not in the course of the employer's trade or business and to domestic service in a private home of the employer not on a farm operated for profit), and in addition, in the case of agricultural labor, whether such agricultural labor is performed on a full-time basis, and the date on which the employer-employee relationship commenced in each instance and, if terminated, the date of the termination thereof (see § 408.208, relating to agricultural labor);

(iii) The total amount (including any sum withheld therefrom as tax or for any other reason) and date of each remuneration payment and the period of services covered by such payment;

(iv) The amount of such remuneration payment which constitutes wages subject to tax (see §§ 408.226 and 408.227); and

(v) The amount of employee tax withheld or collected with respect to such payment, and, if collected at a time other than the time such payment was made, the date collected.

The term "remuneration", as used in this paragraph, includes all payments whether in cash or in a medium other than cash, except that the term does not include payments in a medium other than cash (*a*) for services not in the course of the employer's trade or business, (*b*) for domestic service in a private home of the employer not on a farm operated for profit, or (*c*) for agricultural labor. (For provisions relating to the exclusion from wages of payments in a medium other than cash for such services, see § 408.227 (g).)

(2) If the total remuneration payment (subparagraph (1) (iii) of this paragraph) and the amount thereof which is taxable (subparagraph (1) (iv) of this paragraph) are not equal, the reason therefor shall be made a matter of record. Accurate records of the details of each adjustment or settlement made pursuant to § 408.702 or § 408.703 shall also be kept.

(3) No particular form is prescribed for keeping the records required by this paragraph (a). Each employer shall use such forms and systems of accounting as will enable the Commissioner to ascertain whether the taxes for which the employer is liable are correctly computed and paid.

(b) *Records of employees.* While not mandatory, it is advisable for each employee to keep permanent, accurate records showing the name and address of each employer for whom he performs services as an employee, the dates of beginning and termination of such services, the information with respect to himself which is required by paragraph (a) of this section to be kept by employers, and the receipts furnished in accordance with the provisions of § 408.306. (See, however, paragraph (d) of this section, relating to records of claimants.)

(c) *Copies of returns, schedules, and statements.* Every employer who is required, by the regulations in this part or by instructions applicable to any form prescribed thereunder, to keep any copy of any return, schedule, statement, or other document, shall keep such copy as part of his records.

(d) *Records of claimants.* Any person (including an employee) claiming refund, credit, or abatement of any tax, penalty, or interest shall keep a complete and detailed record with respect to such tax, penalty, or interest.

(e) *Place and period for keeping records.* (1) All records required by the regulations in this part shall be kept, by the person required to keep them, at one or more convenient and safe locations accessible to internal revenue officers. Such records shall at all times be open for inspection by such officers. If the employer has a principal place of business in the United States, the records required by paragraphs (c) and (d) of this section shall be kept at such place of business.

(2) Records required by paragraphs (a) and (c) of this section shall be maintained for a period of at least four years after the date the tax to which they relate becomes due, or the date the tax is paid, whichever is later. Records required by paragraph (d) of this section (including any record required by paragraph (a) or (c) which relates to a claim) shall be maintained for a period of at least four years after the date the claim is filed.

SUBPART G—ADJUSTMENTS OF EMPLOYEE TAX AND EMPLOYER TAX

SECTION 1401 (c) OF THE ACT

ADJUSTMENTS

If more or less than the correct amount of tax imposed by section 1400 is paid with respect to any payment of remuneration, proper adjustments, with respect both to the tax and the amount to be deducted, shall be made, without interest, in such manner and at such times as may be prescribed by regulations made under this subchapter. (Sec. 1401 (c), I. R. C., as amended by sec. 602 (a), Social Security Act Amendments of 1939, 53 Stat. 1382.)

SECTION 1401 (d) (4) (A) OF THE ACT

SPECIAL RULES IN CASE OF FEDERAL EMPLOYEES

In the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year after the calendar year 1950, each head of a Federal agency or instrumentality who makes a return pursuant to section 1420 (e) and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall, for the purposes of subsection (c) * * *, be deemed a separate employer; * * *. (Sec. 1401 (d) (4) (A), I. R. C., as added by sec. 203 (c), Social Security Act Amendments of 1950, 64 Stat. 527.)

SECTION 1411 OF THE ACT

ADJUSTMENT OF TAX

If more or less than the correct amount of tax imposed by section 1410 is paid with respect to any payment of remuneration, proper adjustments with respect to the tax shall be made, without interest, in such manner and at such times as may be prescribed by regulations made under this subchapter. For the purposes of this section, in the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year after the calendar year 1950, each head of a Federal agency or instrumentality who makes a return pursuant to section 1420 (e) and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall be deemed a separate employer. (Sec. 1411, I. R. C., as amended by sec. 605, Social Security Act Amendments of 1939, 53 Stat. 1383; sec. 202 (c), (d), Social Security Act Amendments of 1950, 64 Stat. 525.)

§ 408.701 *Adjustments in general.* Errors in the payment of employee tax and employer tax must be adjusted in certain cases without interest. Not all corrections of erroneous collections or payments of tax, however, constitute adjustments within the meaning of the act and the regulations in this part. The various situations under which such adjustments shall be made are set forth in § § 408.702 and 408.703, the provisions of which also relate to settlement other than by adjustment under certain circumstances set forth therein. No underpayment of employee tax or employer tax shall be reported pursuant to such sections after receipt from the collector of notice and demand for payment thereof based upon an assessment, but the amount shall be paid in accordance with such notice and demand. Every return on which an adjustment or settlement is reported pursuant to § 408.702 or § 408.703 must have securely attached as a part thereof a statement explaining the adjustment or settlement, designating the tax-return period in which the error was ascertained, and setting forth such other information as may be required by the regulations in this part and by the instructions relating to the return. If an adjustment of an overcollection of employee tax which an employer has repaid to an employee is reported on a return, such statement shall include the fact that such tax was repaid to the employee. If the adjustment relates to an overcollection of employee tax in a prior year, the employer's statement explaining the adjustment shall also show that the employer has obtained from the employee a written statement that the employee has not claimed and will not claim refund or credit of the amount of such overcollection. (See § 408.702 (b) (2).) Amounts deducted from remuneration of an employee and other settlements between an employee and his employer, in correction of an overcollection or undercollection of employee tax, shall be reflected in the amounts shown on statements furnished by the employer to the employee in accordance with section 408.306, relating to receipts for employees. For purposes of this section and §§ 408.702 and 408.703, in the case of remuneration received from the United States or a wholly owned instrumentality thereof, each head of a Federal agency or instrumentality, and each agent designated by the head of a Federal agency or instrumentality, who makes a return pursuant to section 1420 (e) of the act is deemed to be a separate employer.

§ 408.702 *Adjustment of employee tax*—(a) *Undercollections*—(1) *Prior to filing of return.* If no employee tax or less than the correct amount of employee tax is deducted from any payment of wages to an employee and the error is ascertained prior to the time the return is filed with the collector for the period in which such wages are paid, the employer shall nevertheless report on such return and pay to the collector the correct amount of employee tax. However, the reporting and payment by the employer of the correct amount of such tax in accordance with this subparagraph do not constitute an adjustment, and the amount shall not be reported as an adjustment on the return.

(2) *After return is filed.* (i) If no employee tax or less than the correct amount of employee tax with respect to a payment of wages to an employee is reported on a return and paid to the collector, the employer shall adjust the underpayment by (*a*) reporting the additional amount due by reason of such underpayment as an adjustment on a return filed on or before the last day on which the return for the tax-return period in which the error is ascertained is required to be filed, or (*b*) reporting such additional amount on a supplemental return for the tax-return period in which such payment of wages is made. The reporting of such an underpayment on a supplemental return constitutes an adjustment within the meaning of this subparagraph only when the supplemental return is filed on or before the last day on which the return for the tax-return period in which the error is ascertained is required to be filed. (See § 408.605, relating in part to supplemental returns.) The amount of each underpayment adjusted in accordance with this subparagraph shall be paid to the collector, without interest, at the time fixed for reporting the adjustment. If an adjustment is reported pursuant to this subparagraph but the amount thereof is not paid when due, interest thereafter accrues.

(ii) If no employee tax or less than the correct amount of employee tax with respect to a payment of wages to an employee is reported on a return and paid to the collector and such underpayment is not reported as an adjustment within the time prescribed by this subparagraph, the amount of such underpayment shall be (*a*) reported on the employer's next return, or (*b*) reported immediately on a supplemental return. (For interest accruing on amounts so reported, see § 408.907.)

(3) *Deductions from employee.* If an employer collects no employee tax or less than the correct amount of employee tax from an employee with respect to wages received by the employee, the employer shall collect the amount of the undercollection by deducting such amount from remuneration of the employee, if any, under his control after he ascertains the error. Such deductions may be made even though the remuneration, for any reason, does not constitute wages. (See §§ 408.226 and 408.227, relating to wages.) If the employer ascertains the error prior to the time the return is required to be filed for the period in which such wages are paid, or if the employer ascertains the error subsequent to such time and the error is subject to adjustment under the provisions of subparagraph (2) of this paragraph, the deduction of the amount of the undercollection in correction of such error shall be made without interest. The obligation of the employee to the employer with respect to an undercollection of employee tax from the employee not subsequently corrected by a deduction made as prescribed in the foregoing provisions of this subparagraph is a matter for settlement between the employee and the employer. The amount of the employee tax, in the case of a prior undercollection thereof from the employee, shall be reported and paid as provided in subparagraphs (1) and (2) of this paragraph. If an employer makes an erroneous collection of employee tax from two or more of his employees, a separate settlement must be made with respect to each employee. Thus, an overcollection of employee tax from one employee may not be used to offset an undercollection of such tax from another.

(b) *Overcollections*—(1) *Prior to filing of return.* If an employer (i) during any tax-return period collects more than the correct amount of employee tax from any employee, and (ii) repays the amount of the overcollection to the employee prior to the time the return for such period is filed with the collector, and (iii) obtains and keeps as part of his records the written receipt of the employee, showing the date and amount of the repayment, the employer shall not report on any return or pay to the collector the amount of the overcollection. However, every overcollection not repaid to and receipted for by the employee as provided in this subparagraph must be reported and paid to the collector with the return for the period in which the overcollection was made.

(2) *After return is filed.* (i) If an employer collects from any employee and pays to the collector more than the correct amount of employee tax, the employer shall adjust the overcollection by repaying or reimbursing the employee in the amount thereof; except that an overcollection of employee tax in one calendar year is not adjustable in a subsequent calendar year unless the employer obtains from the employee a written statement that the employee has not claimed and will not claim refund or credit of the amount of such overcollection. (See section 408.801 (c), relating to refund claims by employees, and section 408.802, relating to special refunds of employee tax.) Such statement shall be retained by the employer as a part of his records.

(ii) If the amount of the overcollection is repaid, the employer shall obtain and keep as part of his records the written receipt of the employee, showing the date and amount of the repayment. (See § 408.701, relating in part to statements required in explanation of adjustments of overcollections of employee tax.)

(iii) If the employer does not repay the employee, the employer shall reimburse the employee by applying the amount of the overcollection against the employee tax which attaches to wages paid to the employee prior to the expiration of the tax-return period following the tax-return period in which the error is ascertained. If the amount of the overcollection exceeds the amount so applied against such employee tax, the excess amount shall be repaid to the employee as required by this subparagraph.

(iv) An overcollection is adjustable under this subparagraph only if it is completed prior to the expiration of the tax-return period following the tax-return period in which the error is ascertained by the employer, and then only

if the adjustment is reported on a return filed within the statutory period of limitation upon refunds and credits of the tax (see § 408.804, relating to the statutory period). A claim for credit or refund (in accordance with § 408.801) may be filed within the period of limitation upon refunds and credits for any overcollection which cannot be adjusted under this subparagraph.

§ 408.703 *Adjustment of employer tax*—(a) *Underpayments.* (1) If no employer tax or less than the correct amount of employer tax with respect to a payment of wages to an employee is reported on a return and paid to the collector, the employer shall adjust the underpayment by (i) reporting the additional amount due by reason of such underpayment as an adjustment on a return filed on or before the last day on which the return for the tax-return period in which the error is ascertained is required to be filed, or (ii) reporting such additional amount on a supplemental return for the tax-return period in which such payment of wages is made. The reporting of such an underpayment on a supplemental return constitutes an adjustment within the meaning of this paragraph only when the supplemental return is filed on or before the last day on which the return for the tax-return period in which the error is ascertained is required to be filed. (See § 408.605, relating in part to supplemental returns.) The amount of each underpayment adjusted in accordance with this paragraph shall be paid to the collector, without interest, at the time fixed for reporting the adjustment. If an adjustment is reported pursuant to this paragraph but the amount thereof is not paid when due, interest thereafter accrues.

(2) If no employer tax or less than the correct amount of employer tax with respect to a payment of wages to an employee is reported on a return and paid to the collector and such underpayment is not adjusted in accordance with the provisions of this paragraph, the amount of such underpayment shall be (i) reported on the employer's next return, or (ii) reported immediately on a supplemental return. (For interest accruing on amounts so reported, see § 408.907.)

(b) *Overpayments.* If (1) an employer pays more than the correct amount of employer tax with respect to any payment of remuneration, and (2) the employer is required under paragraph (b) of § 408.702 to adjust a corresponding overpayment of employee tax with respect to the same payment of remuneration to the employee, the employer shall adjust the overpayment of employer tax to the same extent and on the same return or returns on which the adjustment of employee tax is reported. The adjustment of employer tax shall be made by deducting the amount of the overpayment from the amount of employer tax reported on such return or returns. No overpayment shall be adjusted under this paragraph after the expiration of the statutory period of limitation upon refunds and credits of the tax (see § 408.804, relating to the statutory period). If an overpayment of employer tax is made with respect to a payment of remuneration to an employee, but no corresponding overpayment of employee tax is made with respect to the same payment of remuneration, the overpayment of employer tax is not adjustable under this paragraph. (See § 408.801, relating to refunds and credits.)

SUBPART H—REFUNDS, CREDITS, AND ABATEMENTS

SECTION 1421 OF THE ACT

OVERPAYMENTS

If more * * * than the correct amount of tax imposed by section 1400 or 1410 is paid or deducted with respect to any wage payment and the overpayment * * * of tax cannot be adjusted under section 1401 (c) or 1411 the amount of the overpayment shall be refunded * * * in such manner and at such times (subject to the statutes of limitations properly applicable thereto) as may be prescribed by regulations made under this subchapter.

SECTION 2703 (a) OF THE INTERNAL REVENUE CODE, MADE APPLICABLE BY SECTION 1430 OF THE ACT

ERRONEOUS PAYMENTS

In general. In the case of any overpayment or overcollection of the tax * * * the person making such overpayment or overcollection may take credit therefor against taxes due upon any * * * return, and shall make refund of any excessive amount collected by him upon proper application by the person entitled thereto.

SECTION 3770 (a) OF THE INTERNAL REVENUE CODE

AUTHORITY TO MAKE ABATEMENTS, CREDITS, AND REFUNDS

To taxpayers—(1) *Assessments and collections generally.* Except as otherwise provided by law in the case of income, war-profits, excess-profits, estate, and gift taxes, the Commissioner, subject to regulations prescribed by the Secretary, is authorized to remit, refund, and pay back all taxes erroneously or illegally assessed or collected, all penalties collected without authority, and all taxes that appear to be unjustly assessed or excessive in amount, or in any manner wrongfully collected.

(2) *Assessments and collections after limitation period.* Any tax (or any interest, penalty, additional amount, or addition to such tax) assessed or paid after the expiration of the period of limitation properly applicable thereto shall be considered an overpayment and shall be credited or refunded to the taxpayer if claim therefor is filed within the period of limitation for filing such claim.

* * * * *

(4) *Credit of overpayment of one class of tax against another class of tax due.* Notwithstanding any provision of law to the contrary, the Commissioner may, in his discretion, in lieu of refunding an overpayment of tax imposed by any provision of this title [Internal Revenue Code], credit such overpayment against any tax due from the taxpayer under any other provision of this title.

(5) *Delegation of authority to collectors to make refunds.* The Commissioner, with the approval of the Secretary, is authorized to delegate to collectors any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under paragraph (1), (2), * * * or (4) of this subsection, * * * where the amount involved (exclusive of interest, penalties, additions to the tax, and additional amounts) does not exceed $10,000.

* * * * *

(Sec. 3770 (a), I. R. C., as amended by sec. 508 (b), Second Revenue Act of 1940, 54 Stat. 1008; sec. 9 (a), act of Aug. 27, 1949, 63 Stat. 669.)

SECTION 3477 OF THE UNITED STATES REVISED STATUTES

WHEN ASSIGNMENT OF CLAIMS VOID

All transfers and assignments made of any claim upon the United States, or of any part or share thereof, or interest therein, whether absolute or conditional, and whatever may be the consideration therefor, and all powers of attorney, orders, or other authorities for receiving payment of any such claim, or of any part or share thereof, shall be absolutely null and void, unless they are freely made and executed in the presence of at least two attesting witnesses, after the allowance of such a claim, the ascertainment of the amount due, and the issuing of a warrant for the payment thereof. Such transfers, assignments, and powers of attorney, must recite the warrant for payment, and must be acknowledged by the person making them, before an officer having authority to take acknowledgments of deeds, and shall be certified by the officer; and it must appear by the certificate that the officer, at the time of the acknowledgment, read and fully explained the transfer, assignment, or warrant of attorney to the person acknowledging the same.

* * * * *

§ 408.801 *Refund or credit of overpayments which are not adjustable; abatement of overassessments*—(a) *Who may make claims.* If more than the correct amount of tax, penalty, or interest is paid to the collector, the person who paid such tax, penalty, or interest to the collector may file a claim for refund of such overpayment or such person may take credit for the overpayment against any tax under the act reported on any return which he subsequently files. (See paragraph (e) of this section, relating in part to overpayments which are adjustable.) No refund or credit of employee tax shall be allowed if for any reason (for example, an overcollection of employee tax having been inadvertently included by the employee in computing a special refund—see § 408.802) the employee has claimed the amount thereof as a credit against, or refund of, his income tax unless such claim has been rejected. If more than the correct amount of tax, penalty, or interest is assessed but not paid to the collector, the person against whom the assessment is made may file a claim for abatement of such overassessment. (See also paragraph (c) of this section, relating to claims by employees.)

(b) *Statements supporting employers' claims for employee tax.* Every claim filed by an employer for refund, credit, or abatement of employee tax collected from an employee shall include a statement (1) that the employer has repaid the tax to the employee or has secured the written consent of such employee to allowance of the refund, credit, or abatement, and (2) that the employer has obtained from the employee a written statement that the employee has not claimed and will not claim refund or credit of the amount of the overcollection. In every such case, the employer shall maintain as part of his records the written receipt of the employee, showing the date and amount of the repayment, or the written consent of the employee, whichever is used in support of the claim, and the written statement of the em-

ployee that he has not claimed and will not claim refund or credit of the amount of the overcollection. (See paragraph (d) of this section, relating to form of claims.)

(c) *Refund claims made by employees.* If (1) more than the correct amount of employee tax is collected by an employer from an employee and paid to the collector, and (2) such overcollection is not adjustable under § 408.702, and (3) the employee has not claimed reimbursement through credit against, or refund of, his income tax (or if so claimed, the claim has been rejected), and (4) the employee does not receive reimbursement in any manner from such employer and does not authorize the employer to file a claim and receive refund or credit, such employee may file a claim for refund of such overpayment. The employee shall submit with the claim a statement setting forth whether the employee has claimed credit against, or refund of, his income tax by reason of a special refund for the calendar year of such overcollection, and the amount, if any, so claimed. The employee shall also submit with the claim a statement setting forth the extent, if any, to which the employer has reimbursed the employee in any manner for the overcollection, the amount, if any, of credit or refund of such overpayment claimed by the employer or authorized by the employee to be claimed by the employer, and such facts as will establish that the overpayment is not adjustable under § 408.702. The employee shall obtain such statement, if possible, from the employer, who should include in such statement the fact that it is made in support of a claim against the United States to be filed by the employee for refund of employee tax paid by such employer to the collector of internal revenue. If the employer's statement is not submitted with the claim, the employee shall make the statement to the best of his knowledge and belief, and shall include therein an explanation of his inability to obtain the statement from the employer. (For provisions relating to special refunds of employee tax on wages over $3,600, see § 408.802.)

(d) *Form of claims.* (1) Each claim for refund or abatement under this section shall be made on Form 843 in accordance with the regulations in this part and with the instructions relating to such form, and shall designate the tax-return period in which the error was ascertained. Copies of Form 843 may be obtained from any collector. If credit is taken under this section, a claim on Form 843 is not required, but the return on which such credit is claimed shall have attached as a part thereof a statement which shall constitute the claim for credit, setting forth in detail the grounds and facts relied upon in support of the credit, designating the tax-return period in which the error was ascertained, and showing such other information as is required by the regulations in this part or by the instructions relating to the return.

(2) Whenever a claim for refund, credit, or abatement is made with respect to remuneration which was erroneously reported on a return or schedule thereof, such claim shall include a statement showing (i) the identification number of the employer, if he was required to make application therefor, (ii) the name and account number of the employee for whom such remuneration was so reported, (iii) the period covered by such return or schedule, (iv) the amount of remuneration actually reported as wages for such employee, and (v) the amount of wages which should have been reported for such employee.

(e) *Limitations on claims.* No refund or credit will be allowed after the expiration of the applicable statutory period of limitations, except upon one or more of the grounds set forth in a claim filed prior to the expiration of such period. For provisions relating to the period of limitation upon refunds and credits, see § 408.804. No refund or credit of an overpayment will be allowed if such overpayment is adjustable under § 408.702 or § 408.703.

(f) *Claims improperly made.* Any claim which does not comply with the requirements of this section will not be considered for any purpose as a claim for refund, credit, or abatement.

(g) *Proof of representative capacity.* If a return is made by an individual who thereafter dies and a refund claim is made by a legal representative of the deceased, certified copies of the letters testamentary, letters of administration, or other similar evidence must be annexed to the claim, to show the authority of the executor, administrator, or other fiduciary by whom the claim is made. If an executor, administrator, guardian, trustee, receiver, or other fiduciary makes a return and thereafter a refund claim is made by the same fiduciary, documentary evidence to establish the legal authority of the fiduciary need not accompany the claim, provided a statement is made in the claim showing that the return was made by the fiduciary and that the latter is still acting. In such cases, if a refund or interest is to be paid, letters testamentary, letters of administration, or other evidence may be required, but should be submitted only upon the receipt of a specific request therefor. If a claim is made by a fiduciary other than the one by whom the return was made, the necessary documentary evidence should accompany the claim. The claim may be executed by the agent of the person assessed, but in such case a power of attorney must accompany the claim.

SECTION 1401 (d) (3) AND (4) OF THE ACT

SPECIAL REFUNDS

(3) *Wages received after 1950.* If by reason of an employee receiving wages from more than one employer during any calendar year after the calendar year 1950, the wages received by him during such year exceed $3,600, the employee shall be entitled to a refund of any amount of tax, with respect to such wages, imposed by section 1400 and deducted from the employee's wages (whether or not paid to the collector), which exceeds the tax with respect to the first $3,600 of such wages received. Refund under this section may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax; except that no such refund shall be made unless (A) the employee makes a claim, establishing his right thereto, after the calendar year in which the wages were received with respect to which refund of tax is claimed, and (B) such claim is made within two years after the calendar year in which such wages were received. No interest shall be allowed or paid with respect to any such refund.

(4) *Special rules in the case of Federal and State employees.*—(A) *Federal employees.* In the case of remuneration received from the United States or a wholly owned instrumentality thereof during any calendar year after the calendar year 1950, each head of a Federal agency or instrumentality who makes a return pursuant to section 1420 (e) and each agent, designated by the head of a Federal agency or instrumentality, who makes a return pursuant to such section shall, for the purposes of * * * paragraph (3) of this subsection, be deemed a separate employer; and the term "wages" includes, for the purposes of paragraph (3) of this subsection, the amount not to exceed $3,600, determined by each such head or agent as constituting wages paid to an employee.

(B) *State employees.* For the purposes of paragraph (3) of this subsection, in the case of remuneration received during any calendar year after the calendar year 1950, the term "wages" includes such remuneration for services covered by an agreement made pursuant to section 218 of the Social Security Act as would be wages if such services constituted employment; the term "employer" includes a State or any political subdivision thereof, or any instrumentality of any one or more of the foregoing; the term "tax" or "tax imposed by section 1400" includes, in the case of services covered by an agreement made pursuant to section 218 of the Social Security Act, an amount equivalent to the tax which would be imposed by section 1400, if such services constituted employment as defined in section 1426; and the provisions of paragraph (3) of this subsection shall apply whether or not any amount deducted from the employee's remuneration as a result of an agreement made pursuant to section 218 of the Social Security Act has been paid to the Secretary of the Treasury. (Sec. 1401 (d) (3), (4), I. R. C., as added by sec. 203 (c), Social Security Act Amendments of 1950, 64 Stat. 527.)

SECTION 322 (a) (4) OF THE INTERNAL REVENUE CODE

CREDIT FOR "SPECIAL REFUNDS" OF EMPLOYEE SOCIAL SECURITY TAX

The Commissioner is authorized to prescribe, with the approval of the Secretary, regulations providing for the crediting against the tax imposed by this chapter [chapter 1—income tax] for any taxable year of the amount determined by the taxpayer or the Commissioner to be allowable under section 1401 (d) as a special refund of tax imposed on wages received during the calendar year in which such taxable year begins. If more than one taxable year begins in such calendar year, such amount shall not be allowed under this section as a credit against the tax for any taxable year other than the last taxable year so beginning. The amount allowed as a credit under such regulations shall, for the purposes of this chapter, be considered an amount deducted and withheld at the source as tax under subchapter D of chapter 9. (Sec. 322 (a) (4), I. R. C., as added by sec. 206 (b) (1), (c), Social Security Act Amendments of 1950, 64 Stat. 538.)

SECTION 48 (a) OF THE INTERNAL REVENUE CODE

TAXABLE YEAR

"Taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under this Part [part IV, subchapter B, chapter 1]. "Taxable year" means, in the case of a return made for a

fractional part of a year under the provisions of this chapter [chapter 1—income tax] or under regulations prescribed by the Commissioner with the approval of the Secretary, the period for which such return is made. (Sec. 48 (a), I. R. C., as amended by secs. 101, 135 (d), Revenue Act of 1942, 56 Stat. 802, 835.)

§ 408.802 *Special refunds of employee tax on wages over $3,600*—(a) *In general.* If, during any calendar year commencing after December 31, 1950, an employee receives wages in excess of $3,600 from two or more employers, the employee shall be entitled to a special refund of the amount, if any, by which the employee tax imposed with respect to such wages and deducted therefrom (whether or not paid to the collector) exceeds the employee tax with respect to the first $3,600 of such wages. (See §§ 408.226 and 408.227, relating to wages.)

Example (1). Employee A in the calendar year 1951 receives taxable wages in the amount of $2,000 from each of his employers B, C, and D, for services performed during such year (or at any time after December 31, 1936), or a total of $6,000. Employee tax is deducted from A's wages, in the amount of $30 by B and $30 by C, or a total of $60. Employer D pays employee tax in the amount of $30 to the collector without deducting such tax from A's wages. The employee tax with respect to the first $3,600 of such wages is $54. A is entitled to a special refund of $6.

Example (2). Employee E in the calendar year 1951 performs employment for employers F and G, for which E is entitled to remuneration of $3,600 from each employer, or a total of $7,200. On account of such employment E in 1950 received an advance payment of $600 in wages from F; and in 1951 receives wages in the amount of $3,000 from F, and $3,600 from G. Employee tax was deducted as follows: in 1950, $9 by employer F; and in 1951, $45 by employer F, and $54 by employer G. Thus E in the calendar year 1951 received $6,600 in wages, from which $99 of employee tax was deducted. The amount of employee tax with respect to the first $3,600 of such wages received in 1951 is $54. E is entitled to a special refund of $45. (The $600 advance of wages received in 1950 from F, and $9 of employee tax with respect thereto, have no bearing in computing E's special refund for 1951, because the wages were not received in 1951; and such amounts could not form the basis for a special refund unless E during 1950 received from F and at least one more employer wages totaling more than $3,000, in which case E's right to refund would be determined under section 1401 (d) (2) of the act, which is dealt with in § 402.705 (c) of Regulations 106.)

(b) *Special rules pertaining to Federal and State employees*—(1) *Federal employees.* For the purpose of special refunds of employee tax, each head of a Federal agency or of a wholly owned instrumentality of the United States who makes a return pursuant to section 1420 (e) of the act (and each agent designated by a head of a Federal agency or instrumentality who makes a return pursuant to such section) is considered a separate employer. For such purpose, the term "wages" includes the amount, not in excess of $3,600, which each such head (or agent) determines to constitute wages paid an employee. For example, if wages received by an employee during any calendar year are reportable by two or more agents of one or more Federal agencies and the amount of such wages is in excess of $3,600, the employee shall be entitled to a special refund of the amount, if any, by which the employee tax imposed with respect to such wages and deducted therefrom exceeds the employee tax with respect to the first $3,600 of such wages. Moreover, if an employee receives wages during any calendar year from an agency or wholly owned instrumentality of the United States from one or more other employers, either private or governmental, and the amount of such wages is in excess of $3,600, the employee shall similarly be entitled to a special refund.

(2) *State employees.* For the purpose of special refunds of employee tax, the term "wages" includes such remuneration for services covered by an agreement made pursuant to section 218 of the Social Security Act, relating to voluntary agreements for coverage of employees of State and local governments, as would be wages if such services constituted employment (see §§ 408.226 and 408.227, relating to wages); the term "employer" includes a State or any political subdivision thereof, or any instrumentality of any one or more of the foregoing; and the term "tax" or "tax imposed by section 1400" includes an amount equivalent to the employee tax which would be imposed by section 1400 of the act if such services constituted employment. In the case of employees of a State or local government, the provisions of paragraph (a) of this section are applicable whether or not any amount deducted from the employee's remuneration as a result of an agreement made pursuant to section 218 of the Social Security Act has been paid to the Secretary. Thus, the special refund provisions are applicable to amounts equivalent to employee tax deducted in any calendar year from employees' remuneration by States, political subdivisions, or instrumentalities pursuant to agreements made under section 218 of the Social Security Act. Moreover, if an employee receives wages during any calendar year from a State, political subdivision, or instrumentality thereof and from one or more other employers, either private or governmetal, and the amount of such wages is in excess of $3,600, the special refund provisions are applicable with respect to such wages.

(c) *Claims for special refund*—(1) *In general.* No special refund of employee tax will be allowed unless (i) the employee files a claim, establishing his right thereto, after the calendar year in which the wages are received with respect to which the special refund of tax is claimed, and (ii) such claim is filed within two years after the calendar year in which such wages are received. Each such claim shall be made with respect to wages received within one calendar year (regardless of the year or years after 1936 during which the services are performed for which such wages are received).

(2) *Individual required to file income tax return.* If an employee is entitled to a special refund of employee tax with respect to wages received during any calendar year commencing after December 31, 1950, and is required under chapter 1 of the Internal Revenue Code to file an income tax return for such calendar year (or for his taxable year beginning in such calendar year or, if the employee has more than one taxable year beginning in such calendar year, for his last taxable year beginning in the calendar year), the employee shall claim credit for such refund, against the tax for such year imposed by chapter 1 of the Internal Revenue Code (which chapter relates to the income tax), in accordance with the applicable provisions of the regulations prescribed under such chapter. As used herein, the term "taxable year" shall have the meaning assigned to it by section 48 (a) of the Internal Revenue Code, set forth above, and the regulations prescribed thereunder.

(3) *Individual not required to file income tax return.* If an employee is entitled to a special refund of employee tax with respect to wages received during any calendar year commencing after December 31, 1950, and is not required under chapter 1 of the Internal Revenue Code to file an income tax return for such calendar year (or for his taxable year beginning in such calendar year or, if the employee has more than one taxable year beginning in such calendar year, for his last taxable year beginning in the calendar year), the employee shall claim such refund in accordance with the provisions of this section. Each claim for special refund under this section shall be made on Form 843, in accordance with the regulations in this subpart and the instructions relating to such form, and shall be filed with the collector for the district in which the employee resides or, if the employee does not reside in a collection district of the United States, with the collector at Baltimore, Md. The employee shall submit with the claim, as a part thereof, a statement setting forth the reason why he is entitled to claim the special refund in accordance with the regulations in this section, together with the following information, with respect to each employer from whom he received wages during the calendar year: (i) The name and address of such employer, (ii) the account number of the employee and the employee's name as reported by the employer on his returns, (iii) the amount of wages received during the calendar year to which the claim relates, (iv) the amount of employee tax on such wages deducted by the employer, and (v) the amount of such tax, if any, which has been refunded or otherwise returned to the employee. Other information may be required, but should be submitted only upon request. No interest will be allowed or paid by the Government on the amount of any special refund claimed on Form 843 in accordance with the provisions of this section.

SECTION 1422 OF THE ACT

ERRONEOUS PAYMENTS

Any tax paid under this subchapter by a taxpayer with respect to any period with respect to which he is not liable to tax under this subchapter shall be credited against the tax, if any, imposed by subchapter B upon such taxpayer, and the balance, if any, shall be refunded.

§ 408.803 *Credit and refund of taxes paid for period during which liability existed under subchapter B of chapter 9 of the Internal Revenue Code.* If any

person pays any amount as tax under the Federal Insurance Contributions Act with respect to any period for which he is not liable for such tax and such person is liable for a tax imposed by subchapter B of chapter 9 of the Internal Revenue Code, the amount paid as tax under the Federal Insurance Contributions Act shall be credited against the tax for which the person is liable under such subchapter and the balance, if any, shall be refunded. Each claim for refund under this section shall be made in accordance with § 408.801. Each claim for credit under this section shall be made on Form 843 in accordance with the instructions relating to such form and the applicable provisions of § 408.801. See section 1531 of subchapter B of chapter 9 of the Internal Revenue Code for credit or refund of amounts paid as tax under such subchapter for any period during which liability existed under the Federal Insurance Contributions Act.

SECTION 1636 OF THE INTERNAL REVENUE CODE

PERIOD OF LIMITATION UPON REFUNDS AND CREDITS OF CERTAIN EMPLOYMENT TAXES

(a) *General rule.* In the case of any tax imposed by subchapter A of this chapter * * *.

(1) *Period of limitation.* Unless a claim for credit or refund is filed by the taxpayer within three years from the time the return was filed or within two years from the time the tax was paid, no credit or refund shall be allowed or made after the expiration of whichever of such periods expires the later. If no return is filed, then no credit or refund shall be allowed or made after two years from the time the tax was paid, unless before the expiration of such period a claim therefor is filed by the taxpayer.

(2) *Limit on amount of credit or refund.* The amount of the credit or refund shall not exceed the portion of the tax paid—

(A) If a return was filed, and the claim was filed within three years from the time the return was filed, during the three years immediately preceding the filing of the claim.

(B) If a claim was filed, and (i) no return was filed, or (ii) if the claim was not filed within three years from the time the return was filed, during the two years immediately preceding the filing of the claim.

(C) If no claim was filed and the allowance of credit or refund is made within three years from the time the return was filed, during the three years immediately preceding the allowance of the credit or refund.

(D) If no claim was filed, and (i) no return was filed or (ii) the allowance of the credit or refund is not made within three years from the time the return was filed, during the two years immediately preceding the allowance of the credit or refund.

(b) *Penalties, etc.* The provisions of subsection (a) of this section shall apply to any penalty or sum assessed or collected with respect to the tax imposed by subchapter A of this chapter * * *.

(c) *Date of filing return and date of payment of tax.* For the purposes of this section—

(1) If a return for any period ending with or within a calendar year is filed before March 15 of the succeeding calendar year, such return shall be considered filed on March 15 of such succeeding calendar year; and

(2) If a tax with respect to remuneration paid during any period ending with or within a calendar year is paid before March 15 of the succeeding calendar year, such tax shall be considered paid on March 15 of such succeeding calendar year.

(d) *Application of section.* The provisions of this section shall apply only to those taxes imposed by subchapter A of this chapter * * * which are required to be collected and paid by making and filing returns.

(e) *Effective date.* The provisions of this section shall not apply to any tax paid or collected with respect to remuneration paid during any calendar year before 1951 or to any penalty or sum paid or collected with respect to such tax. (Sec. 1636, I. R. C., as added by sec. 207 (a), Social Security Act Amendments of 1950, 64 Stat. 538.)

§ 408.804 *Period of limitation upon refunds and credits*—(a) *In general.* Section 1636 of the Internal Revenue Code provides that, unless a claim for refund or credit of an overpayment of the tax imposed by the act with respect to remuneration paid during any calendar year commencing after December 31, 1950, is filed within three years from the time the return was filed, or within two years from the time the tax was paid, no refund or credit shall be allowed or made after the expiration of whichever of such periods expires the later. The section further provides that, if no return is filed, then no refund or credit of such overpayment shall be allowed or made after two years from the time the tax was paid, unless before the expiration of such period a claim therefor is filed.

(b) *Limitation on amount of refund or credit.* The limitation on the amount of the refund or credit shall be determined in accordance with section 1636 (a) (2) of the Internal Revenue Code.

(c) *Limitation on penalties, etc.* The provisions of this section relative to the tax imposed by the act are also applicable to any penalty or other sum assessed or collected with respect to such tax.

(d) *Date of filing return and payment of tax.* For the purposes of this section, if a return for any period ending with or within a calendar year is filed before March 15 of the succeeding calendar year, it shall be deemed filed on March 15 of such succeeding calendar year. Likewise, if any tax with respect to remuneration paid during any period ending with or within a calendar year is paid before March 15 of the succeeding calendar year, such tax shall be deemed paid on March 15 of such succeeding calendar year.

SUBPART I—MISCELLANEOUS PROVISIONS

ASSESSMENT AND COLLECTION

SECTION 1421 OF THE ACT

UNDERPAYMENTS

If * * * less than the correct amount of tax imposed by section 1400 or 1410 is paid or deducted with respect to any wage payment and the * * * underpayment of tax cannot be adjusted under section 1401 (c) or 1411 * * * the amount of the underpayment shall be collected, in such manner and at such times (subject to the statutes of limitations properly applicable thereto) as may be prescribed by regulations made under this subchapter.

§ 408.901 *Assessment of underpayments.* If any tax is not paid to the collector when due, the Commissioner may, as the circumstances warrant, assess the tax (whether or not the underpayment is otherwise adjustable) or afford the employer opportunity to adjust the underpayment pursuant to § 408.702 or § 408.703. Unpaid employer tax or employee tax may be assessed against the employer. Employee tax not collected by the employer may also be assessed against the employee. The unpaid amount, together with interest and penalty, if any, will be collected, pursuant to section 3655 of the Internal Revenue Code and other applicable provisions of law, from the person against whom the assessment is made. If an employer pays employee tax pursuant to an assessment against him without an adjustment having been made pursuant to § 408.702, reimbursement is a matter to be settled between the employer and the employee. (See § 408.907, relating to interest, and § 408.908, relating to penalty for failure to pay an assessment after notice and demand. See also § 408.902, relating to jeopardy assessments.)

SECTION 3660 OF THE INTERNAL REVENUE CODE

JEOPARDY ASSESSMENT

(a) If the Commissioner believes that the collection of any tax (other than income tax, estate tax, and gift tax) under any provision of the internal-revenue laws will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful without regard to the period prescribed in section 3690.

(b) The collection of the whole or any part of the amount of such assessment may be stayed by filing with the collector a bond in such amount, not exceeding double the amount as to which the stay is desired, and with such sureties, as the collector deems necessary, conditioned upon the payment of the amount collection of which is stayed, at the time at which, but for this section, such amount would be due.

§ 408.902 *Jeopardy assessments.* (a) Whenever, in the opinion of the collector, the collection of the tax will be jeopardized by delay, he should report the case promptly to the Commissioner by telegram or letter. The communication should recite the full name and address of the person involved, the tax-return period or periods involved, the amount of tax due for each period, the date any return was filed by or for the taxpayer for such period, a reference to any prior assessment made for such period against the taxpayer, and a statement as to the reason for the recommendation, which will enable the Commissioner to assess the tax, together with all penalties and interest due. Upon assessment such tax, penalty, and interest shall become immediately due and payable, whereupon the collector will issue immediately a notice and demand for payment of the tax, penalty, and interest.

(b) The collection of the whole or any part of the amount of the jeopardy assessment may be stayed by filing with the collector a bond in such amount, not exceeding double the amount with respect to which the stay is desired and with such sureties as the collector deems necessary. Such bond shall be conditioned upon the payment of the amount, collection of

which is stayed, at the time at which, but for the jeopardy assessment, such amount would be due. In lieu of surety or sureties the taxpayer may deposit with the collector bonds or notes of the United States, or bonds or notes fully guaranteed by the United States, having a par value not less than the amount of the bond required to be furnished, together with an agreement authorizing the collector in case of default to collect or sell such bonds or notes so deposited.

(c) Upon refusal to pay, or failure to pay or give bond, the collector will proceed immediately to collect the tax, penalty, and interest by distraint without regard to the period prescribed in section 3690 of the Internal Revenue Code.

SECTION 1635 OF THE INTERNAL REVENUE CODE

PERIOD OF LIMITATION UPON ASSESSMENT AND COLLECTION OF CERTAIN EMPLOYMENT TAXES

(a) *General rule.* The amount of any tax imposed by subchapter A of this chapter * * * shall (except as otherwise provided in the following subsections of this section) be assessed within three years after the return was filed, and no proceeding in court without assessment for the collection of such tax shall be begun after the expiration of such period.

(b) *False return or no return.* In the case of a false or fraudulent return with intent to evade tax or of a failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(c) *Willful attempt to evade tax.* In case of a willful attempt in any manner to defeat or evade tax, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(d) *Collection after assessment.* Where the assessment of any tax imposed by subchapter A of this chapter * * * has been made within the period of limitation properly applicable thereto, such tax may be collected by distraint or by a proceeding in court, but only if begun (1) within six years after the assessment of the tax, or (2) prior to the expiration of any period for collection agreed upon in writing by the Commissioner and the taxpayers.

(e) *Date of filing of return.* For the purposes of this section, if a return for any period ending with or within a calendar year is filed before March 15 of the succeeding calendar year, such return shall be considered filed on March 15 of such succeeding calendar year.

(f) *Application of section.* The provisions of this section shall apply only to those taxes imposed by subchapter A of this chapter * * * which are required to be collected and paid by making and filing returns.

(g) *Effective date.* The provisions of this section shall not apply to any tax imposed with respect to remuneration paid during any calendar year before 1951. (Sec. 1635, I. R. C., as added by sec. 207 (a), Social Security Act Amendments of 1950, 64 Stat. 538.)

§ 408.903 *Period of limitation upon assessment and collection.* Section 1635 of the Internal Revenue Code provides, in general, for a three-year period of limitation on the assessment of the taxes imposed by the act with respect to remuneration paid during any calendar year commencing after December 31, 1950. This period of limitation is measured from the date the return is filed, except that if a return for any period ending with or within a calendar year is filed before March 15 of the succeeding calendar year, such return shall be deemed filed on March 15 of such succeeding calendar year. For example, if quarterly returns are filed for the four quarters of 1951 on April 30, July 31, and October 31, 1951, and on January 31, 1952, the period of limitation for assessment with respect to the tax required to be reported on each such return is measured from March 15, 1952. However, if any of such returns is filed after March 15, 1952, the period of limitation for assessment of the tax required to be reported on that return is measured from the date it is in fact filed. Where the tax is assessed within the statutory period of limitation, such tax may be collected by distraint or by a proceeding in court, if begun (a) within six years after the assessment of the tax, or (b) prior to the expiration of any period for collection agreed upon in writing by the Commissioner and the taxpayer. In the case of a false or fradulent return with intent to evade tax or of a failure to file a return, and in the case of a willful attempt in any manner to defeat or evade tax, the tax required to be reported on the return may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

SECTION 3811 OF THE INTERNAL REVENUE CODE

COLLECTION OF TAXES IN PUERTO RICO AND VIRGIN ISLANDS

(a) *Puerto Rico.* Notwithstanding any other provision of law respecting taxation in Puerto Rico, all taxes imposed * * * by subchapters A * * * of chapter 9, shall be collected under the direction of the Secretary and shall be paid into the Treasury of the United States as internal revenue collections. All provisions of the laws of the United States applicable to the administration, collection, and enforcement * * * of any tax imposed by subchapter A * * * of chapter 9, shall, in respect to such tax, extend to and be applicable in Puerto Rico in the same manner and to the same extent as if Puerto Rico were a State, and as if the term "United States" when used in a geographical sense included Puerto Rico.

(b) *Virgin Islands.* Notwithstanding any other provision of law respecting taxation in the Virgin Islands, all taxes imposed * * * by subchapter A of chapter 9, shall be collected under the direction of the Secretary and shall be paid into the Treasury of the United States as internal revenue collections. All provisions of the laws of the United States applicable to the administration, collection, and enforcement * * * of any tax imposed by subchapter A of chapter 9, shall, in respect to such tax, extend to and be applicable in the Virgin Islands in the same manner and to the same extent as if the Virgin Islands were a State, and as if the term "United States" when used in a geographical sense included the Virgin Islands.

(c) *Definition.* As used in this section, the term "tax" includes any penalty with respect to the tax, any addition to the tax, and any additional amount with respect to the tax, provided for by any law of the United States. (Sec. 3811, I. R. C., as added by sec. 208 (b), Social Security Act Amendments of 1950, 64 Stat. 543, and as amended by sec. 221 (i), (k), Revenue Act of 1950, 64 Stat. 946, 947.)

§ 408.904 *Collection of taxes in Puerto Rico and Virgin Islands.* All provisions of the laws of the United States relating to the administration, collection, and enforcement (such as the provisions relating to the ascertainment, return, determination, redetermination, assessment, collection, remission, credit, and refund) of any tax imposed by the act shall, in respect of such tax, extend to and be applicable in Puerto Rico and the Virgin Islands in the same manner and to the same extent as if Puerto Rico and the Virgin Islands were each a State, and as if the term "United States" when used in a geographical sense included Puerto Rico and the Virgin Islands.

MITIGATION OF EFFECT OF STATUTE OF LIMITATIONS IN CASE OF RELATED EMPLOYEE TAX AND SELF-EMPLOYMENT TAX

SECTION 3812 OF THE INTERNAL REVENUE CODE

MITIGATION OF EFFECT OF STATUTE OF LIMITATIONS AND OTHER PROVISIONS IN CASE OF RELATED TAXES UNDER DIFFERENT CHAPTERS

(a) *Self-employment tax and tax on wages.* In the case of the tax imposed by subchapter E of chapter 1 (relating to tax on self-employment income) and the tax imposed by section 1400 of subchapter A of chapter 9 (relating to tax on employees under the Federal Insurance Contributions Act)—

(1) (i) If an amount is erroneously treated as self-employment income, or

(ii) If an amount is erroneously treated as wages, and

(2) If the correction of the error would require an assessment of one such tax and the refund or credit of the other tax, and

(3) If at any time the correction of the error is authorized as to one such tax but is prevented as to the other tax by any law or rule of law (other than section 3761, relating to compromises),

then, if the correction authorized is made, the amount of the assessment, or the amount of the credit or refund, as the case may be, authorized as to the one tax shall be reduced by the amount of the credit or refund, or the amount of the assessment, as the case may be, which would be required with respect to such other tax for the correction of the error if such credit or refund, or such assessment, of such other tax were not prevented by any law or rule of law (other than section 3761, relating to compromises).

(b) *Definitions.* For the purposes of subsection (a) of this section, the terms "self-employment income" and "wages" shall have the same meaning as when used in section 481 (b). (Sec. 3812, I. R. C., as added by sec. 208 (b), Social Security Act Amendments of 1950, 64 Stat. 544.)

§ 408.905 *Mitigation of effect of statute of limitations in case of related employee tax and self-employment tax—*(a) *Application of section.* (1) Section 3812 of the Internal Revenue Code may be applied in the correction of a certain type of error involving both the tax on self-employment income and the employee tax under section 1400 of the act, if the correction of the error as to one tax is, on the date the correction is authorized, prevented in whole or in part by the operation of any law or rule of law other than section 3761 of the Internal Revenue Code, relating to compromises.

(2) If the liability for either tax with respect to which the error was made has been compromised under section 3761 of the Code, the provisions of section 3812 of the Code limiting the correction with respect to the other tax do not apply.

(3) Section 3812 of the Code is not applicable if, on the date of the authori-

zation, correction of the effect of the error is permissible as to both taxes without resource to such section.

(4) If, because an amount of wages (as defined in section 1426 (a) of the act) is erroneously treated as self-employment income (as defined in section 481 (b) of the Internal Revenue Code) or an amount of self-employment income is erroneously treated as wages, it is necessary in correcting the error to assess the correct tax and give a credit or refund for the amount of the tax erroneously paid, and either, but not both, of such adjustments is prevented by any law or rule of law (other than section 3761 of the Code), the amount of the assessment or of the credit or refund authorized shall reflect the adjustment which would be made in respect of the other tax (either the tax on self-employment income under section 480 of the Internal Revenue Code or the employee tax under section 1400 of the act) but for the operation of such law or rule of law. For example, assume that during 1951 A paid $10 as tax on an amount erroneously treated as wages, when such amount was actually self-employment income, and that credit or refund of the $10 is not barred. A should have paid a self-employment tax of $15 on the amount. If the assessment of the correct tax, that is, $15, is barred by the statute of limitations, no credit or refund of the $10 shall be made without offsetting against such $10 the $15, assessment of which is barred. Thus, no credit or refund in respect of the $10 can be made.

(5) As another example, assume that during 1951 a taxpayer reports wages of $3,600 and net earnings from self-employment of $900. By reason of the limitations of section 481 (b) of the Code he shows no self-employment income. Assume further that by reason of a final decision by The Tax Court of the United States, further adjustments to his income tax liability are barred. The question of the amount of his wages, as defined in section 1426 (a) of the act, was not in issue in the Tax Court litigation, but it is subsequently determined (within the period of limitations applicable under the act) that $700 of the $3,600 reported as wages was not for employment as defined in section 1426 (b) of the act, and he is entitled to the allowance of a refund of the $10.50 tax paid on such remuneration under section 1400 of the act. The reduction of his wages from $3,600 to $2,900 would result in the determination of $700 self-employment income, the tax on which is $15.75 for the year. The overpayment of $10.50 would be offset under section 3812 of the Code by the barred deficiency of $15.75, thus eliminating the refund otherwise allowable. If the facts were changed so that the taxpayer erroneously paid tax on self-employment income of $700, having been taxed on only $2,900 as wages, and within the period of limitations applicable under the act, it is determined that his wages were $3,600, the tax of $10.50 under section 1400 of the act, otherwise collectible, would be eliminated by offsetting under section 3812 of the Code the barred overpayment of $15.75. The balance of the barred overpayment, $5.25, cannot be credited or refunded.

(6) Another illustration of the operation of section 3812 of the Code is the case of a taxpayer who is erroneously taxed on $2,500 as wages, the tax on which is $37.50, and who reports no self-employment income. After the statute of limitations has run on the refund of the tax under the act, it is determined that the amount treated as wages should have been reported as net earnings from self-employment. The taxpayer's self-employment income would then be $2,500 and the tax thereon would be $56.25. Assume that the period of limitations under chapter 1 of the Internal Revenue Code has not expired, and that a notice of deficiency may properly be issued. Under section 3812 of the Code, the amount of the deficiency of $56.25 must be reduced by the barred overpayment of $37.50.

(b) *Law applicable in determination of error.* The question of whether there was an erroneous treatment of self-employment income or of wages is determined under the provisions of law and regulations applicable with respect to the year or other taxable period as to which the error was made. The fact that the error was in pursuance of an interpretation, either judicial or administrative, accorded such provisions of law and regulations at the time of such action is not necessarily determinative of this question. For example, if a later judicial decision authoritatively alters such interpretation so that such action was contrary to such provisions of the law and regulations as later interpreted, the error is within the meaning of section 3812 of the Code.

ACTS TO BE PERFORMED BY AGENTS

SECTION 1632 OF THE INTERNAL REVENUE CODE

ACTS TO BE PERFORMED BY AGENTS

In case a fiduciary, agent or other person has the control, receipt, custody, or disposal of, or pays the wages of an employee or group of employees, employed by one or more employers, the Commissioner, under regulations prescribed by him with the approval of the Secretary, is authorized to designate such fiduciary, agent or other person to perform such acts as are required of employers under this chapter [chapter 9 of the Internal Revenue Code] and as the Commissioner may specify. Except as may be otherwise prescribed by the Commissioner with the approval of the Secretary, all provisions of law (including penalties) applicable in respect of an employer shall be applicable to a fiduciary, agent or other person so designated but, except as so provided, the employer for whom such fiduciary, agent or other person acts shall remain subject to the provisions of law (including penalties) applicable in respect of employers. (Sec. 1632, I. R. C., as added by sec. 2 (a), (d), Current Tax Payment Act of 1943, 57 Stat. 126, 139.)

§ 408.906 *Acts to be performed by agents.* If an employer pays wages to an employee or group of employees through a fiduciary, agent, or other person who also has the control, receipt, custody, or disposal of, or pays the wages payable by another employer to such employee or group of employees, the Commissioner may, subject to such terms and conditions as he deems proper, authorize such fiduciary, agent, or other person to perform such acts as are required of employers under the act and the regulations in this part. Application for authorization to perform such acts, signed by such fiduciary, agent, or other person, should be filed with the Commissioner of Internal Revenue, Washington, D. C. If the fiduciary, agent, or other person is authorized by the Commissioner to perform such acts as are required of employers under the act and regulations, all provisions of law (including penalties) and of the regulations prescribed in pursuance of law applicable in respect of an employer shall be applicable to such fiduciary, agent, or other person. However, each employer for whom such fiduciary, agent, or other person acts shall remain subject to all provisions of law (including penalties) and of the regulations prescribed in pursuance of law applicable in respect of employers.

INTEREST AND ADDITIONS TO TAX

SECTION 1420 (b) OF THE ACT

ADDITION TO TAX IN CASE OF DELINQUENCY

If the tax is not paid when due, there shall be added as part of the tax interest (except in the case of adjustments made in accordance with the provisions of sections 1401 (c) and 1411) at the rate of 6 per centum per annum from the date the tax became due until paid.

SECTION 3655 OF THE INTERNAL REVENUE CODE

NOTICE AND DEMAND FOR TAX

(a) *Delivery.* Where it is not otherwise provided, the collector shall in person or by deputy, within ten days after receiving any list of taxes from the Commissioner, give notice to each person liable to pay any taxes stated therein, to be left at his dwelling or usual place of business, or to be sent by mail, stating the amount of such taxes and demanding payment thereof.

(b) *Addition to tax for nonpayment.* If such person does not pay the taxes, within ten days after the service or the sending by mail of such notice, it shall be the duty of the collector or his deputy to collect the said taxes with a penalty of 5 per centum additional upon the amount of taxes, and interest at the rate of 6 per centum per annum from the date of such notice to the date of payment * * *.

* * * * *

§ 408.907 *Interest.* If the tax is not paid to the collector when due and is not adjusted under § 408.702 or § 408.703, interest accrues at the rate of 6 percent per annum.

§ 408.908 *Addition to tax for failure to pay an assessment after notice and demand.* (a) If tax, penalty, or interest is assessed and the entire amount thereof is not paid within 10 days after the date of issuance of notice and demand for payment thereof, based on such assessment, there accrues under section 3655 of the Internal Revenue Code (except as provided in paragraph (b) of this section) a penalty of 5 percent of the assessment remaining unpaid at the expiration of such period.

(b) If, within 10 days after the date of issuance of notice and demand, a claim for abatement of any amount of the assessment is filed with the collector, the 5 percent penalty does not attach with respect to such amount. If the claim is rejected in whole or in part and

the amount rejected is not paid, the collector shall issue notice and demand for such amount. If payment is not made within 10 days after the date the collector issues the notice and demand, the 5 percent penalty attaches with respect to the amount rejected. The filing of the claim does not stay the running of interest.

SECTION 3612 (d) AND (e) OF THE INTERNAL REVENUE CODE

(d) *Additions to tax*—(1) *Failure to file return.* In case of any failure to make and file a return or list within the time prescribed by law, or prescribed by the Commissioner or the collector in pursuance of law, the Commissioner shall add to the tax 25 per centum of its amount, except that when a return is filed after such time and it is shown that the failure to file it was due to a reasonable cause and not to willful neglect, no such addition shall be made to the tax: *Provided*, That in the case of a failure to make and file a return required by law, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, if the last date so prescribed for filing the return is after August 30, 1935, then there shall be added to the tax, in lieu of such 25 per centum: 5 per centum if the failure is for not more than 30 days, with an additional 5 per centum for each additional 30 days or fraction thereof during which failure continues, not to exceed 25 per centum in the aggregate.

(2) *Fraud.* In case a false or fraudulent return or list is willfully made, the Commissioner shall add to the tax 50 per centum of its amount.

* * * * *

(e) *Collection of additions to tax.* The amount added to any tax under paragraphs (1) and (2) of subsection (d) shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the neglect, falsity, or fraud, in which case the amount so added shall be collected in the same manner as the tax.

SECTION 1631 OF THE INTERNAL REVENUE CODE

FAILURE OF EMPLOYER TO FILE RETURN

In case of a failure to make and file any return required under this chapter within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not to willful neglect, the addition to the tax or taxes required to be shown on such return shall not be less than $5. (Sec. 1631, I. R. C., as added by sec. 2 (a), Current Tax Payment Act of 1943, 57 Stat. 138, and as amended by sec. 209 (d), Social Security Act Amendments of 1950, 64 Stat. 547.)

§ 408.909 *Additions to tax for delinquent or false returns*—(a) *Delinquent returns*—(1) *Ad valorem addition.* (i) If a person fails to make and file a return required by the regulations in this part within the prescribed time, a certain percent of the amount of the tax is added to the tax unless the return is later filed and failure to file the return within the prescribed time is shown to be due to reasonable cause and not to willful neglect. Two classes of delinquents are subject to this addition to the tax:

(*a*) Those who do not file returns and for whom returns are made by a collector, a deputy collector, or the Commissioner; and

(*b*) Those who file tardy returns and are unable to show reasonable cause for the delay.

The amount to be added to the tax is 5 percent if the failure is for not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during which failure continues, not to exceed 25 percent in the aggregate, subject, however, to the minimum addition to the tax set forth in subparagraph (2) of this paragraph. In computing the period of delinquency all Sundays and holidays after the due date are counted.

(ii) A person who files a tardy return and wishes to avoid the addition to the tax for delinquency must make an affirmative showing of all facts alleged as a reasonable cause for failure to file the return on time in the form of a statement which should be attached to the return as a part thereof.

(2) *Minimum addition.* If a person fails to make and file a return required by the regulations in this part within the prescribed time, unless it is shown that the failure is due to reasonable cause and not to willful neglect, the addition to the tax or taxes required to be shown on such return shall not be less than $5. The addition to the tax or taxes shall be computed as provided in subparagraph (1) of this paragraph and if less than $5 shall be increased to $5.

(b) *False returns.* If a false or fraudulent return is willfully made, the addition to tax under section 3612 (d) (2) of the Internal Revenue Code is 50 percent of the total tax due for the entire period involved, including any tax previously paid.

PENALTIES

SECTION 2707 OF THE INTERNAL REVENUE CODE, MADE APPLICABLE BY SECTION 1430 OF THE ACT

PENALTIES

(a) Any person who willfully fails to pay, collect, or truthfully account for and pay over the tax * * * or willfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty of the amount of the tax evaded, or not paid, collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected. No penalty shall be assessed under this subsection for any offense for which a penalty may be assessed under authority of section 3612.

(b) Any person required under this subchapter to pay any tax, or required by law or regulations made under authority thereof to make a return, keep any records, or supply any information, for the purposes of the computation, assessment, or collection of any tax imposed by this subchapter who willfully fails to pay such tax, make such returns, keep such records, or supply such information, at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than one year, or both, together with the costs of prosecution.

(c) Any person required under this subchapter to collect, account for and pay over any tax imposed by this subchapter, who willfully fails to collect or truthfully account for and pay over such tax, and any person who willfully attempts in any manner to evade or defeat any tax imposed by this subchapter or the payment thereof, shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than five years, or both, together with the costs of prosecution.

(d) The term "person" as used in this section includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

SECTION 3616 OF THE INTERNAL REVENUE CODE

PENALTIES

Whenever any person—

(a) *False returns.* Delivers or discloses to the collector or deputy any false or fraudulent list, return, account, or statement, with intent to defeat or evade the valuation, enumeration, or assessment intended to be made; or,

(b) *Neglect to obey summons.* Being duly summoned to appear to testify, or to appear and produce books as required under section 3615, neglects to appear or to produce said books—he shall be fined not exceeding $1,000, or be imprisoned not exceeding one year, or both, at the discretion of the court, with costs of prosecution.

* * * * *

SECTION 3793 (b) OF THE INTERNAL REVENUE CODE

FRAUDULENT RETURNS, AFFIDAVITS, AND CLAIMS

(1) *Assistance in preparation or presentation.* Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under, the internal revenue laws, of a false or fraudulent return, affidavit, claim, or document, shall (whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document) be guilty of a felony, and, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than five years, or both, together with the costs of prosecution.

(2) *Person defined.* The term "person" as used in this subsection includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

SECTION 286 OF TITLE 18 OF THE UNITED STATES CODE

CONSPIRACY TO DEFRAUD THE GOVERNMENT WITH RESPECT TO CLAIMS

Whoever enters into any agreement, combination, or conspiracy to defraud the United States, or any department or agency thereof, by obtaining or aiding to obtain the payment or allowance of any false, fictitious or fraudulent claim, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

SECTION 286 OF TITLE 18 OF THE UNITED STATES CODE

FALSE, FICTITIOUS OR FRAUDULENT CLAIMS

Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

SECTION 1001 OF TITLE 18 OF THE UNITED STATES CODE

STATEMENTS OR ENTRIES GENERALLY

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes

any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

SECTION 1621 OF TITLE 18 OF THE UNITED STATES CODE

PERJURY GENERALLY

Whoever, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true, is guilty of perjury, and shall, except as otherwise expressly provided by law, be fined not more than $2,000 or imprisoned not more than five years, or both.

SECTION 208 OF THE SOCIAL SECURITY ACT

PENALTIES

Whoever, for the purpose of causing an increase in any payment authorized to be made under this title [Title II of the Social Security Act], or for the purpose of causing any payment to be made where no payment is authorized under this title, shall make or cause to be made any false statement or representation (including any false statement or representation in connection with any matter arising under * * * subchapter A or E of chapter 9 of the Internal Revenue Code) as to the amount of any wages paid or received or the period during which earned or paid, or whoever makes or causes to be made any false statement of a material fact in any application for any payment under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such an application, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both. (Sec. 208, Social Security Act, as amended by sec. 201, Social Security Act Amendments of 1939, 53 Stat. 1362; sec. 109 (c), Social Security Act Amendments of 1950, 64 Stat. 523.)

SECTION 1106 OF THE SOCIAL SECURITY ACT

DISCLOSURE OF INFORMATION IN POSSESSION OF AGENCY

(a) No disclosure of any return or portion of a return (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act * * * or subchapter A of chapter 9 of the Internal Revenue Code, or under regulations made under authority thereof, which has been transmitted to the Administrator by the Commissioner of Internal Revenue, or of any file, record, report, or other paper, or any information, obtained at any time by the Administrator or by any officer or employee of the Federal Security Agency in the course of discharging the duties of the Administrator under this Act, and no disclosure of any such file, record, report, or other paper, or information, obtained at any time by any person from the Administrator or from any officer or employee of the Federal Security Agency, shall be made except as the Administrator may by regulations prescribe. Any person who shall violate any provision of this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

(b) Requests for information, disclosure of which is authorized by regulations prescribed pursuant to subsection (a) of this section, may be complied with if the agency, person, or organization making the request agrees to pay for the information requested in such amount, if any (not exceeding the cost of furnishing the information), as may be determined by the Administrator. Payments for information furnished pursuant to this section shall be made in advance or by way of reimbursement, as may be requested by the Administrator, and shall be deposited in the Treasury as a special deposit to be used to reimburse the appropriations (including authorizations to make expenditures from the Federal Old-Age and Survivors Insurance Trust Fund) for the unit or units of the Federal Security Agency which prepared or furnished the information. (Sec. 1106, Social Security Act, as added by sec. 802, Social Security Act Amendments of 1939, 53 Stat. 1398, and as amended by sec. 403 (d), Social Security Act Amendments of 1950, 64 Stat. 559.)

SECTION 1107 OF THE SOCIAL SECURITY ACT

PENALTY FOR FRAUD

(a) Whoever, with the intent to defraud any person, shall make or cause to be made any false representation concerning the requirements of * * * subchapter A * * * or E of chapter 9 of the Internal Revenue Code, or of any rules or regulations issued thereunder, knowing such representations to be false, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

(b) Whoever, with the intent to elicit information as to the date of birth, employment, wages, or benefits of any individual * * * falsely represents to any person that he is an employee or agent of the United States, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both. (Sec. 1107, Social Security Act, as added by sec. 802, Social Security Act Amendments of 1939, 53 Stat. 1398, and as amended by sec. 403 (e), Social Security Act Amendments of 1950, 64 Stat. 560.)

OTHER LAWS APPLICABLE

SECTION 1430 OF THE ACT

OTHER LAWS APPLICABLE

All provisions of law, including penalties, applicable with respect to any tax imposed by section 2700 or section 1800, and the provisions of section 3661, shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable with respect to the taxes imposed by this subchapter. (Sec. 1430, I. R. C., as amended by sec. 903, Social Security Act Amendments of 1939, 53 Stat. 1400.)

RULES AND REGULATIONS

SECTION 1429 OF THE ACT

RULES AND REGULATIONS

* * * The Commissioner, with the approval of the Secretary, shall make and publish rules and regulations for the enforcement of this subchapter.

SECTION 3791 OF THE INTERNAL REVENUE CODE

RULES AND REGULATIONS

(a) *Authorization.*—

(1) *In general.* * * * the Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this title [Internal Revenue Code].

(2) *In case of change in law.* The Commissioner may make all such regulations, not otherwise provided for, as may have become necessary by reason of any alteration of law in relation to internal revenue.

(b) *Retroactivity of regulations or rulings.* The Secretary, or the Commissioner with the approval of the Secretary, may prescribe the extent, if any, to which any ruling, regulation, or Treasury Decision, relating to the internal revenue laws, shall be applied without retroactive effect.

§ 408.910 *Promulgation of regulations.* In pursuance of section 1429 of the act, section 3791 of the Internal Revenue Code, and other provisions of the internal revenue laws, the foregoing regulations are hereby prescribed. (See §§ 408.102 and 408.143, relating to the scope of the regulations in this part and the extent to which they supersede prior regulations.)

JOHN B. DUNLAP,
Commissioner of Internal Revenue.

Approved: December 6, 1951.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 51-14685; Filed, Dec. 11, 1951; 8:45 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1950 C. C. C. Grain Price Support Bulletin 1, Amdt. 3 to Supp. 1, Hay and Pasture Seed]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1950-CROP HAY AND PASTURE SEED PRICE SUPPORT PROGRAM

The regulations issued by the Commodity Credit Corporation and the Production and Marketing Administration published in 15 F. R. 4613 and 16 F. R. 3025, 3151 and 3631 containing the requirements for the 1950-crop Hay and Pasture Seed Price Support Program are hereby amended as follows:

Section 601.231 (c) (1) (under Alfalfa, alsike, ladino (certified), red, Hubam sweet, and white clover, etc.), is amended to permit the use of 50 pound capacity bags in the delivery of seed to C. C. C. under the reseal loan program, and reads as follows:

§ 601.231 *Delivery of seed to C. C. C.*

* * *

(c) * * *

Type	*Net capacity (pounds)*
(1) Osnaburg which can be probed:	
(i) 36-inch 2.35 yard or heavier	50, 60, 100, or 120
(ii) 40-inch 2.11 yard or heavier	50, 60, 100, or 120

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1051; 15 U. S. C. Sup. 714c, 7 U. S. C. Sup. 1447, 1421)

Issued this 6th day of December 1951.

[SEAL] ELMER F. KRUSE,
Vice President,
Commodity Credit Corporation.

Approved:

LIONEL C. HOLM,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 51-14692; Filed, Oct. 11, 1951; 8:48 a. m.]

[1951 C. C. C. Grain Price Support Bulletin 1, Amdt. 3 to Supp. 1, Hay and Pasture Seed]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART 1951-CROP HAY AND PASTURE SEED LOAN AND PURCHASE AGREEMENT PROGRAM

The regulations issued by the Commodity Credit Corporation and the Production and Marketing Administration published in 16 F. R. 5415, 5608, 9627 and 11260 containing the specific requirements for the 1951-crop hay and pasture seed price support program are hereby amended as follows:

Section 601.1061 (a) (1) (i) is amended to permit the use of 50 pound capacity bags in the delivery of seed to C. C. C., and reads as follows:

§ 601.1061 *Delivery of seed to C. C. C.*—(a) *Cleaning and bagging.* * * *

(1) * * *

Type	*Net capacity (pounds)*
(i) Osnaburg which can be probed:	
36-inch 2.35 yard or heavier	50, 60, 100, or 120
40-inch 2.11 yard or heavier	50, 60, 100, or 120

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053, 1054; 15 U. S. C. Sup. 714c, 7 U. S. C. Sup. 1447, 1421)

Issued this 6th day of December 1951.

[SEAL] ELMER F. KRUSE,
Vice President,
Commodity Credit Corporation.

Approved:

LIONEL C. HOLM,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 51-14693; Filed, Dec. 11, 1951; 8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

PART 580—ANCHORAGE AIRPORT AND FAIRBANKS AIRPORT

Acting pursuant to authority granted in sections 4 and 8 of the Alaska Airports Act and in accordance with section 3 (a) (3) of the Administrative Procedure Act, the following part is adopted. Since agency management and public property are involved, compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act is not required.

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SUBPART D—LOADING AND UNLOADING AREAS

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580.131 General.
580.132 Motorized equipment.
580.133 Operator's certificate.
580.134 Speed.
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580.136 Accident reports.
580.137 Parking.
580.138 Motor vehicle lights.
580.139 Repair of motor vehicles.
580.140 Busses.
580.141 Moving of vehicles.
580.142 Motor vehicle license tags.

SUBPART J—ENFORCEMENT OF RULES

580.151 Penalties.

AUTHORITY: §§ 580.1 to 580.151 issued under secs. 4 and 8, 62 Stat. 278; 48 U. S. C. Sup. 485.

SUBPART A—INTRODUCTION

§ 580.1 *Basis and purpose*—(a) *Basis.* The basis of this part is sections 4 and 8 of the Alaska Airports Act (62 Stat. 278; 48 U. S. C. Sup. 485) as amended by sections 1 and 2 of Reorganization Plan No. 5 (15 F. R. 1374) and section 3 of Department of Commerce Order No. 115 (15 F. R. 1395).

(b) *Purpose.* The purpose of this part is to prescribe rules and regulations whereby the Administrator may exercise control over and responsibility for, the care, operation, maintenance, improvement, and protection of, public airports in the Territory of Alaska.

§ 580.2 *Explanation of terms.* As used in this part:

(a) "Administration" shall mean the Civil Aeronautics Administration.

(b) "Administrator" shall mean the Administrator of Civil Aeronautics.

(c) "Aircraft weight" shall mean the maximum take-off weight permitted by the appropriate aeronautical authority of the country of manufacture of the aircraft. It shall be calculated to the nearest 1,000 pounds.

(d) "Airport" shall mean the Anchorage Airport, including all land and water areas within the Anchorage Airport Reserve, and the Fairbanks Airport, including all land and water areas within the Fairbanks Airport Reserve, operated by the Administrator.

(e) "Airport Manager" shall mean that person appointed by the Administrator to administer, govern, superintend, control, and protect (1) the Anchorage International Airport and Lake Hood–Lake Sprinard Landing Area or (2) the Fairbanks International Airport and Chena River Landing Area.

(f) "Board" shall mean the Civil Aeronautics Board.

(g) "Government" shall mean the government of the United States.

(h) "Person" shall mean any individual, firm, co-partnership, corporation, company, association, joint-stock association, or body politic; and shall include any trustee, receiver, assignee, or other similar representative thereof.

SUBPART B—GENERAL RULES

§ 580.11 *Airport manager.* All persons on any portion of the property comprising the airport shall be governed by the regulations prescribed in this part and by orders and instructions of the Airport Manager relating to the use or occupancy of any portion of the property comprising the airport.

§ 580.12 *Aeronautical activities.* All aeronautical activities at the airport, and all flying of aircraft departing from or arriving at the airport in the airspace above the airport, shall be conducted in conformity with the current pertinent provisions of the Civil Air Regulations (Subchapter A of Chapter I of this title) and with orders issued by the Airport Manager or air-traffic control-tower operator which are not in conflict with the said regulations.

§ 580.13 *Taxicabs.* (a) Except as otherwise expressly permitted by the Administrator, no person shall operate any taxicab or other vehicle carrying

passengers for hire from the airport unless he is the holder of an appropriate permit issued by the Airport Manager.

(b) Except as otherwise permitted by the Airport Manager, no person shall park on the airport any taxicab or other vehicle used for the purpose of carrying passengers for hire, except for the purpose of discharging passengers, unless he is the holder of an appropriate permit issued by the Airport Manager.

(c) No person shall, within the boundary of the airport, solicit or invite persons to ride in any taxicab or other vehicle used for the purpose of carrying passengers for hire, by driving slowly past loading entrances to airport buildings, by committing other acts, or by uttering words which are calculated to induce persons to engage such taxicab or other vehicle, unless such activity is carried on with the express approval of the Airport Manager and under such terms and conditions as he may prescribe.

(d) Any person desiring the approval of the Airport Manager to operate on the airport a taxicab or other vehicle used for the purpose of carrying passengers for hire, shall file a written application with the Airport Manager for a permit. Such application shall contain the following information:

(1) Applicant's name and address;

(2) Make, model and license number of the vehicle the applicant desires to operate on the airport;

(3) Description of all permits and licenses applicant holds governing the operation of the vehicle, with the serial or other identification numbers of such permits;

(4) A list of all the public liability insurance policies carried by the applicant, with their serial or other identification numbers of the policies, the names of the insurance companies who issued them, and their expiration dates.

Upon receipt of such an application, the Airport Manager may issue a permit authorizing the holder thereof to operate a taxicab or other passenger-carrying vehicle for hire on the airport. Such permits shall be revocable at any time in the sole discretion of the Airport Manager.

§ 580.14 *Lost articles.* Any person finding lost articles shall deposit them at the office of the Airport Police. Articles unclaimed within 60 days may be turned over to the finders thereof. Articles not claimed or turned over to the finders thereof shall be disposed of by the Airport Manager.

SUBPART C—LANDING AND PARKING FEES

§ 580.21 *Landing fees*—(a) *Rate of charge.* A charge of 30 cents per 1,000 pounds shall be made for each landing of an aircraft at the airport. (No additional charge for each take-off shall be made.)

(b) *Exceptions to charge.* The following aircraft shall not be subject to landing fees:

(1) Aircraft weighing 6,000 pounds or less;

(2) Aircraft engaged in test flights (this shall not include survey and proving runs);

(3) Aircraft compelled to return after take-off;

(4) Public aircraft not engaged in commercial operations.

§ 580.22 *Parking fees*—(a) *Aircraft weighing over 6,000 pounds.* The charge per 1,000 pounds of aircraft weight shall be:

(1) Day or fraction thereof	$0.15
(2) Week	.70
(3) Calendar month	2.50

(b) *Commercial aircraft weighing 6,000 pounds or less.* The charge per aircraft shall be:

(1) Day or fraction thereof	$1.00
(2) Week	3.00
(3) Calendar month	10.00

(c) *Non-commercial aircraft weighing 6,000 pounds or less.* The charge per aircraft shall be:

(1) Day or fraction thereof	$1.00
(2) Week	2.00
(3) Calendar month	5.00

(d) *Exceptions to charge.* Aircraft utilizing airport services such as fueling or repair shall not be subject to parking fees for the first three hours after landing.

§ 580.23 *Alteration of fees.* Charges for aircraft based at the airport may be fixed by the CAA Regional Administrator having jurisdiction over the airport, without regard to the landing and parking fees provided in §§ 580.21 and 580.22.

§ 580.24 *Payment of fees*—(a) *Means of payment.* Fees shall be paid in United States dollars.

(b) *Time of payment.* Landing fees shall be paid at the time of landing. Parking fees shall be paid in advance based upon estimated parking time on the airport. Fees paid in advance shall be adjusted at the time of departure.

(c) *Exceptions to time of payment.* Aircraft based at or making regular use of the airport may be required by the Airport Manager to make prior financial arrangements. These arrangements may include provision for payment on a monthly or other suitable basis.

SUBPART D—LOADING AND UNLOADING AREAS

§ 580.31 *Control of areas.* The Airport Manager shall have full control of the loading and unloading areas to insure efficient and nondiscriminatory utilization. Such authority shall include, but shall not necessarily be limited to, the right to:

(a) Assign space and sequence of use when he concludes that it is necessary or advisable;

(b) Order the movement of a standing aircraft to conform with assignments under paragraph (a) of this section;

(c) Assess an excess parking fee of $5.00 per hour for nonconformity with paragraph (b) of this section.

SUBPART E—AIRCRAFT RULES

§ 580.41 *Radio contact.* (a) Radio contacts between pilots of aircraft and air-traffic control-tower operators shall be conducted in accordance with the procedures and by means of the phraseologies prescribed by the Administrator whenever practicable.

(b) Pilots of outbound aircraft equipped with functioning two-way radio shall not taxi or take off without a control-tower clearance.

(c) Pilots of aircraft not equipped with functioning two-way radio shall not land, taxi, or take off without a clearance by radio or light signal: *Provided,* That this shall not prohibit sufficient movement of an outbound aircraft not equipped with a functioning transmitter to attract the attention of the control-tower operator.

§ 580.42 *Report of arrival.* Unless impracticable because of weather conditions or unless Air Traffic Control instructions preclude such actions, pilots of inbound aircraft equipped with functioning two-way radio shall report at or near a contact reporting point and as they enter the airport control zone.

§ 580.43 *Confinement of aircraft operations.* Aircraft operations shall be confined to hard surfaced areas. Taxi strips shall not be used for take-offs or landings.

§ 580.44 *Parking of aircraft.* No person shall park aircraft in any area on the airport other than that prescribed by the Airport Manager or his authorized representative. No employee of the Administration shall have the authority to make the Government responsible for the care or protection of any aircraft parked on the airport other than Government-owned aircraft.

§ 580.45 *Payment.* Payment for use of airport facilities, storage, repairs, supplies, or other service rendered by the airports shall be made before flight clearance will be granted unless satisfactory credit arrangements have been made with the Airport Manager.

§ 580.46 *Disabled aircraft.* All disabled aircraft and parts thereof on the airport shall be either promptly repaired or removed from the airport by the owners unless required or directed to delay such action pending an investigation of an accident.

§ 580.47 *Accident reports.* A person involved in an aircraft accident occurring on the airport shall make a full report of such accident, including his name and address, to the Airport Manager as soon as possible after the accident. When a written report of an accident is required by Part 62 of this title a copy of such report may be submitted to the Airport Manager in lieu of the report required above.

§ 580.48 *Refusal of clearance.* The Airport Manager may delay or restrict any flight or other operation at the airport and may refuse take-off clearance to any aircraft for any reason he believes justifiable.

§ 580.49 *Private pilot's license.* No pilot other than one possessing at least a private pilot rating or the equivalent shall operate an aircraft on the airport. However, student training flights may be made under the supervision of certificated instructors.

§ 580.50 *Registering of aircraft.* The pilot of any itinerant or other aircraft whose owner or lessee does not have a

contract with the Government permitting such aircraft to use the airport shall register at the Airport Manager's office located on the airport immediately after landing and shall report to the Airport Manager's office prior to taking off.

§ 580.51 *Demonstrations.* No flight or ground demonstrations shall be conducted on the airport without the express approval of the Airport Manager.

§ 580.52 *Fueling or defueling of aircraft.* No aircraft shall be fueled or defueled while passengers are on board the aircraft unless a passenger loading ramp is in place at the cabin door of the aircraft, the aircraft door is in open position, and a cabin attendant is present at or near the cabin door. No other persons shall be permitted within 100 feet of such aircraft during any such operations, except employees engaged in fueling, defueling, maintenance, or service operations.

§ 580.53 *Aircraft equipment rules.* No aircraft other than a seaplane or amphibian operating on a seaplane landing area, shall be operated on the airport unless it is equipped with a tail or nose wheel and wheel brakes, except with the permission of the control tower operator. When a pilot of an aircraft that is not equipped with adequate brakes receives permission from the control tower operator to taxi such aircraft such pilot shall not taxi such aircraft near buildings or parked aircraft unless an attendant is at the wing of the aircraft to assist the pilot: *Provided,* That an aircraft with wings and tail higher than five feet from the ground that does not have adequate brakes shall not be taxied on the airport, with or without the airport control tower operator's permission, but shall be towed if it is necessary to move such an aircraft.

§ 580.54 *Taxiing rules.* (a) No person shall taxi an aircraft until he has ascertained that there will be no danger of collision with any person or object in the immediate area by visual inspection of the area and, when available, through information furnished by airport attendants.

(b) No person shall operate an aircraft in a careless or reckless manner or taxi it except at a safe and reasonable speed.

(c) No pilot shall taxi onto or across a runway in use until specifically cleared to do so by radio or visual signal.

(d) Aircraft shall be taxied in accordance with the prescribed taxiing patterns when any particular runway is in use.

(e) No person shall start or run any engine in an aircraft, unless a competent person is in the aircraft attending the engine controls. Blocks shall always be placed in front of the wheels before starting the engine or engines, unless the aircraft is provided with adequate parking brakes.

(f) No person shall run the engine or engines of an aircraft parked in front of the Terminal Building or in front of any hanger or at any location on the airport in such manner as to cause damage to other aircraft or property or in such manner as to blow paper, dirt, or other materials across taxiways or runways and thereby endanger the safety of operations on the airport.

§ 580.55 *Landing and take-off rules.* (a) Landings and take-offs shall be made on the runway assigned, and in the direction given, by the Control Tower.

(b) Landings and take-offs shall be made at a safe distance from buildings and aircraft.

(c) Unless otherwise authorized or directed by the Control Tower, landings and take-offs shall be made in conformity with the air traffic patterns prescribed by the Administrator in §§ 60.18–4 and 60.18–5 of this title. (The patterns are also published in the C. A. A. Alaska Airman's Guide and Alaska Flight Information Manual.)

§ 580.56 *Visual signal procedures.* Aircraft shall be operated in conformity with visual signal procedures prescribed by the Administrator in § 617.23 of this chapter.

SUBPART F—RULES OF CONDUCT

§ 580.71 *Disorderly conduct.* No person while on the airport shall:

(a) Be or become intoxicated or drunk;

(b) Commit any disorderly, obscene, or indecent act;

(c) Use any profane or vulgar language;

(d) Commit any act of nuisance.

§ 580.72 *Gambling.* No person shall play, participate in, engage in, conduct, promote, operate, manage, or draw on the airport a lottery, raffle, numbers game, policy lottery, policy shop, any kind of gaming table, or gambling device adapted, devised, or designed for the purpose of playing any game of chance for money or property.

(b) No person shall buy, sell, or transfer, or aid in selling, exchanging, negotiating, or transferring on the airport a chance, ticket, certificate, writing, bill, or token, or other device purporting or intended to assure any person of an interest in any lottery, raffle, numbers game, or game of chance.

(c) The possession of any chance, ticket, certificate, writing, bill, token, or other device purporting or intended to assure any person of an interest in any lottery, raffle, numbers game, or other game of chance shall be prima facie evidence of operating, promoting, aiding in the promotion of, or playing such lottery, raffle, numbers game, or other game of chance.

§ 580.73 *Sanitation.* (a) No person shall dispose of garbage, papers, refuse, sewage, or other material on the airport except in the receptacles provided for that purpose.

(b) No person shall use a comfort station other than in a clean and sanitary manner.

(c) No person shall expectorate or spit on the floors, walls, or other surfaces of any airport building.

§ 580.74 *Preservation of property.* No person shall do the following on the airport without the express permission of the Airport Manager:

(a) Destroy, injure, deface, or disturb in any way, any building, sign, equipment, marker, other structure, tree, flower, lawn, or other public property;

(b) Walk on the lawns or seeded areas;

(c) Alter, add to, or erect, any building;

(d) Make excavations;

(e) Abandon any personal property.

§ 580.75 *Airports and equipment.* No person shall interfere with, tamper with, or injure any part of the airport or any of the equipment thereof.

§ 580.76 *Weapons, explosives, and inflammable material.* (a) No person except a peace officer, duly authorized post office, airport, or air carrier employee; or member of the armed forces of the United States on official duty, shall carry any loaded or concealed weapon, explosive, or inflammable material on the airport without the written permission of the Airport Manager.

§ 580.77 *Coin operated machines.* No person shall use a coin operated machine that requires the deposit of a coin for such use privilege without first depositing such coin as required by instructions posted on the machine.

§ 580.78 *False statements.* No person shall knowingly or wilfully make any false statement or report to the Airport Manager or any airport policeman concerning the operation or use of the airport.

§ 580.79 *Interfering or tampering with aircraft.* No person shall without permission of the owner:

(a) Interfere with, or tamper with, any aircraft;

(b) Put in motion the engine of any aircraft;

(c) Use any aircraft, aircraft parts, instruments, or tools.

§ 580.80 *Repairing of aircraft.* No person shall repair an aircraft, aircraft engine, propeller, or apparatus in any area of the airport other than that specifically designated for such purpose by the Airport Manager, except that minor adjustments may be made while the aircraft is on a loading ramp preparatory to take-off when such adjustment is necessary to prevent a delayed departure.

§ 580.81 *Restricted areas.* No person shall enter a restricted area posted as being closed to the public, except as may be permitted by these regulations, without the written permission of the Airport Manager.

§ 580.82 *Particular areas.* No person shall enter upon the landing field, apron, runways, or taxi strips, or enter into the Control Tower, restricted areas, offices of the Terminal Building, or hangars, except:

(a) Persons assigned to duty therein;

(b) Authorized representatives of the Administrator or the Board;

(c) Persons authorized by the Airport Manager;

(d) Passengers, under appropriate supervision, entering the apron for the purpose of embarkation and debarkation.

§ 580.83 *Observation areas.* No person shall throw paper, cigars, cigarettes, bottles, or any other material from the

Observation Areas, or from any part of the Terminal Building.

§ 580.84 *Conduct of business or commercial activity.* No person shall engage in any business or commercial activity of any nature whatsoever on the airport except with the approval of the Administrator or Airport Manager, and under such terms and conditions as may be prescribed.

§ 580.85 *Soliciting.* (a) No person shall solicit fares, alms, or funds for any purpose on the airport without the permission of the Airport manager.

(b) No person shall make a sale of any kind, charge an admission fee, or expose an article for sale, on the airport, without permission from the Airport Manager unless the person is authorized to do so by the terms of a contract between him and the Government.

§ 580.86 *Advertisements.* No person shall post, distribute, or display signs, advertisements, circulars, or any other printed or written matter at the airport except with the approval of the Airport Manager and in such manner as the Airport Manager may prescribe unless the person is authorized to do so by the terms of a contract between him and the Government.

§ 580.87 *Commercial photography.* No person shall take still, motion, or sound pictures for commercial purposes on the airport without permission of the Administrator, except that the following persons may take pictures for commercial purposes with permission of the Airport Manager only:

(a) Professional photographers and motion picture cameramen taking scenes of events on the airport as representatives of news concerns and bona fide news publications;

(b) Professional photographers and motion picture cameramen taking scenes of events on the airport, for nonprofit exhibits and for the purpose of stimulating general interest in air commerce or travel.

(c) Professional photographers and motion picture cameramen taking scenes of events on the airport for nonprofit educational purposes.

(d) Professional photographers taking scenes on the airport for general artistic purposes.

§ 580.88 *Use of roads and walks.* (a) No person shall travel on the airport except on the roads, walks, or other places provided for the particular class of traffic.

(b) No person shall occupy a road or a walk in such a manner as to hinder or obstruct its proper use.

(c) No person shall walk in a picket line as a picket or take part in any labor or other public demonstration on any part of the airport except in those places which may be specifically assigned for use by such picket lines or other public demonstrations by the Airport Manager.

(d) No person shall operate any type of vehicle for the disposal of garbage, ashes, or other waste material on the airport without the approval of the Airport Manager.

§ 580.89 *Animals.* No person shall enter the Terminal Building or landing area of the airport with a dog or other animal with the following exceptions:

(a) Seeing-eye dogs may be permitted in the Terminal Building for appropriate purposes, and

(b) Dogs to be transported by air may be permitted in the Terminal Building or landing area if they are restrained by leash or properly confined.

(c) Dogs and other animals may be permitted in other areas of the airport if they are restrained by leash or confined in such manner as to be completely under control.

§ 580.90 *Loitering.* No person shall loiter or loaf on any part of the airport or in any building located on the airport.

§ 580.91 *Use of airport.* No person shall come upon or use the airport, except while traveling through as a passenger on a bus or taxicab or while enplaning or deplaning as a passenger on an aircraft operating on the airport, after such person has been denied the use of the airport by the Airport Manager.

§ 580.92 *Drugs.* No person other than a physician or pharmacist licensed to practice his profession in one of the states of the United States or a territory, or a possession of the United States, or the District of Columbia, shall within the boundaries of the Airport prescribe, dispense, sell, give away, offer to sell, or administer any dangerous drugs, or have such drugs in his possession, with intent to sell, give away, or administer them. The words "dangerous drugs" as used herein shall mean opium, coca leaves, cocaine, isonipecaine, opiate, or any compound, manufacture, salt, derivative, or preparation thereof; diethyl barbituric acid (barbital), or any compound, preparation, mixture, or solution thereof; sulfanilamide or its derivatives, sulfathiozole, sulfapyridine, sulfadiazine, or sulfaguanidine.

SUBPART G—FIRE HAZARDS

§ 580.101 *Use of cleaning fluids.* No person shall use an inflammable volatile liquid having a flash point of less than 110 degrees Fahrenheit for the purpose of cleaning an aircraft, engine, propeller, appliance, or any other object, on the airport, unless the cleaning operation is conducted in the open air, or in a room which is specifically set aside for that purpose, is properly fireproofed, and is equipped with adequate and readily accessible fire extinguishing apparatus.

§ 580.102 *Open-flame operations.* No person shall conduct any open-flame operations in any hangar, or on the airport grounds, or part thereof unless specifically authorized by the Airport Manager.

§ 580.103 *Storage.* (a) No person shall store or stock material or equipment on the airport in such manner as to constitute a fire hazard.

(b) No person shall keep or store any inflammable liquids, gases, signal flares, or other similar material in the hangars or in any building on the airport: *Provided,* That such materials may be kept in an aircraft in the proper receptacles installed in the aircraft for such purpose, or in rooms or areas specifically approved for such storage by the Airport Manager, or in Underwriter's approved safety cans.

(c) No person shall keep or store lubricating or waste oils in or about the hangars: *Provided,* That such material may be kept in rooms specifically designated for oil storage, and that not more than a twenty-four hour supply of lubricating oil may be kept in or about a hangar in containers or receptacles approved by insurance underwriters.

(d) Lessees of hangars shall provide suitable metal receptacles with self-closing covers for the storage of waste, rags, and other rubbish. All used waste, rags, or other rubbish shall be removed by the lessees daily.

§ 580.104 *Smoking.* No person shall smoke on the airport aprons, in any hangar or shop, or in any building, room, or place on the airport where smoking is specifically prohibited by the Airport Manager.

§ 580.105 *Floor care.* All lessees on the airport shall keep the floors of the hangars, and hangar and terminal apron pits, and areas adjacent thereto, leased by them respectively, free and clear of oil, grease, and other inflammable materials.

§ 580.106 *Doping.* "Doping" processes shall be conducted only in properly designed, fireproofed, and ventilated rooms, or buildings in which all illumination, wiring, heating, ventilation equipment, switches, outlets, and fixtures shall be explosion-proof, spark-proof, and vapor-proof, and all windows and doors shall open easily. No person shall enter or work in a "dope" room while "doping" processes are being conducted unless such person wears spark-proof shoes.

§ 508.107 *Fueling operations.* The following rules shall govern the fueling and defueling of aircraft.

(a) No aircraft shall be fueled or defueled while the engine is running, or being warmed by applications of exterior heat, or while such aircraft is in a hanger or enclosed space.

(b) No person shall smoke, light matches, or use any flame or spark-producing object within 100 feet of an aircraft being fueled or defueled.

(c) No person shall operate any radio transmitter or receiver, or switch electrical appliances off or on, in an aircraft during fueling or defueling.

(d) During refueling the aircraft and fuel dispensing apparatus shall both be grounded to a point or points of zero electrical potential.

(e) Persons engaged in the fueling and defueling of aircraft shall exercise care to prevent overflow of fuel.

(f) No person shall use any material during fueling or defueling of aircraft which is likely to cause a spark or to be a source of ignition.

(g) Adequate fire extinguishers shall be within ready reach of all persons engaged in fueling or defueling operations.

(h) No person shall start the engine of any aircraft when there is any gasoline on the ground under such aircraft.

(i) Fueling hoses and defueling equipment shall be maintained in a safe, sound, and non-leaking condition.

(j) All hoses, funnels, and appurtenances used in fueling and defueling operations shall be equipped with a grounding device to prevent ignition of volatile liquids.

(k) All fueling and defueling of aircraft shall be conducted at least 50 feet from any hangar or other building.

§ 580.108 *Radio operation.* No person shall operate any radio equipment in any aircraft when such aircraft is in a hangar during the time any maintenance other than radio maintenance is being performed on the aircraft.

§ 580.109 *Motor vehicle operation in hangar.* No person shall operate, in a hangar on the airport, a motor scooter, truck, or other motor vehicle, other than tractors with exhausts protected by screens or baffles to prevent the escape of sparks or the propagation of flame.

SUBPART H—OBLIGATIONS OF TENANTS

§ 580.121 *Trash containers.* No tenant, lessee, concessionaire, or the agent or agents of any such person or persons, doing business on the airport, shall keep uncovered trash containers on sidewalks, roadways, or in public areas. All vehicles hauling trash shall be covered. No vehicle used for hauling trash, dirt, or any other materials shall be operated on the airports unless such vehicle is constructed so as to prevent the contents thereof from dropping, sifting, leaking, or otherwise escaping therefrom. No person shall spill dirt or any other materials from vehicles operated on the airport.

§ 580.122 *Signs and bulletin boards.* The lessee of a hangar shall maintain a bulletin board in a conspicuous place.

§ 580.123 *Use of bulletin boards.* The lessee of a hangar shall post on the bulletin board, workmen's compensation notices, lists of competent physicians, names of liability insurance carriers, and all pertinent notices issued by the Airport Manager.

§ 580.124 *Storage of equipment.* No tenant or lessee of any hangar or shop facility on the airport shall store or stack material or equipment in such a manner as to constitute a hazard to personnel or property. No person shall park an aircraft in a hangar unless such aircraft is properly grounded.

§ 580.125 *Fire apparatus.* All tenants or lessees of hangars or shop facilities shall supply and maintain such adequate and readily accessible fire extinguishers, approved by fire underwriters for the particular hazard involved, as may be deemed necessary by the Airport Manager.

§ 580.126 *Discrimination or segregation.* In the operation of all facilities of the airport, services shall be rendered without discrimination or segregation as to race, color, or creed.

SUBPART I—MOTOR VEHICLE RULES

§ 580.131 *General.* No person shall operate any motor vehicle on the airport otherwise than in accordance with the general rules prescribed by the Airport Manager or other applicable laws for the control of such vehicles, except when given special instructions by authorized employees of the airport.

§ 580.132 *Motorized equipment.* (a) No person shall operate a motor vehicle on the landing areas, aprons, or ramps of the airport unless such motor vehicle has been inspected and approved by the Airport Manager or his authorized agent.

(b) No motor vehicle may be operated on the landing areas, aprons, or ramps except by persons possessed of a valid operator's permit issued by the Airport Manager. The Airport Manager shall have the authority to grant motor vehicle operator permits to such competent operators as he may deem necessary for the safe and efficient operation of the airport, such permit to be revocable at the will of the Airport Manager.

(c) No person shall operate a two-wheeled motor vehicle on the landing areas, aprons, or ramps.

§ 580.133 *Operator's certificate.* (a) No person shall operate a motorized vehicle of any kind on the roadways of the airport unless he holds a valid operator's license issued by some legal political jurisdiction or Government agency.

(b) No person shall operate a motorized vehicle of the C. A. A. on the airport unless he holds a valid CAA Operator's Certificate.

§ 580.134 *Speed.* (a) No person shall operate a motor vehicle of any kind on the airport in a reckless manner or in excess of the speed limits prescribed by the Airport Manager and indicated by posted traffic signs. Motor vehicles shall be so operated as to be under safe control at all times, weather and traffic conditions considered.

(b) No person shall operate a motor vehicle of any kind on the aprons or ramps of the airport at a speed in excess of 25 miles per hour.

§ 580.135 *Operation rules.* (a) A person operating a vehicle traveling on any road in the airport, when overtaken by a faster moving vehicle, and upon suitable signal from such overtaking vehicle, shall move to the right to allow safe passage.

(b) Pedestrians within pedestrian lane markings shall have the right-of-way over vehicular traffic.

(c) No person shall operate a vehicle following another vehicle on the airport closer than 15 feet to the preceding vehicle.

(d) No person shall sound a motor vehicle horn except as a warning signal.

(e) The driver of a vehicle intending to turn at an intersection shall do so as follows, unless a different method of turning is directed by buttons, markers, or signs at the intersections, in which event turns shall be made in accordance with the directions of such buttons, markers or signs:

(1) Both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway.

(2) Approach for a left turn from a two-way street into a two-way street shall be made in that portion of the right half of the roadway nearest the center line thereof, and after entering the intersection the left turn shall be made so as to leave the intersection to the right of the center line of the roadway being entered.

(3) Approach for a left turn from a two-way street into a one-way street shall be made in that portion of the right half of the roadway nearest the center line thereof and by passing to the right of such center line where it enters the intersection. A left turn from a one-way street into a two-way street shall be made by passing to the right of the center line of the street being entered upon leaving the intersection.

(4) Where both streets or roadways are one-way, both the approach for a left turn and a left turn shall be made as close as practicable to the left-hand curb or edge of the roadway.

(5) No vehicle shall be turned so as to proceed in the opposite direction upon any curve, or upon the approach to, or near the crest of a grade, where such vehicle cannot be seen at a distance of 500 feet by the driver of any other vehicle approaching from either direction.

(f) No person shall start and move a vehicle which is stopped, standing, or parked unless and until such movement can be made with reasonable safety.

(g) No person operating a motor vehicle on the airport shall fail to give proper hand signals. The following signals shall be given by extending the hand and arm from the left side in the following manner:

(1) Left turn. The hand and arm shall be extended horizontally.

(2) Right turn. The hand and forearm shall be extended upward.

(3) Stop or decrease speed. The hand and forearm shall be extended downward: *Provided,* That in lieu of such hand signals, signals may be given by a signal lamp or a signal device which conveys an intelligible warning to another driver approaching from the front or rear.

(h) No person shall operate a motor vehicle on the airport contrary to the directions of posted traffic signs.

(i) No person shall operate a motor vehicle or aircraft of any kind on the airport while he is under the influence of liquor or narcotic drugs.

(j) No person shall operate on the airport a motor vehicle which is overloaded or carrying more passengers than it was designed to carry.

(k) No person shall ride on the running board, stand up in the body of a moving vehicle, ride on the outside of the body of a vehicle, or ride with arms or legs protruding from the body of a motor vehicle.

§ 580.136 *Accident reports.* Any person involved in an accident, other than one involving an aircraft, occurring on the airport, shall make a full report thereof to the nearest airport police offi-

cer as soon after the accident as possible. The report shall include his name and address.

§ 580.137 *Parking.* (a) No person shall park a motor vehicle on the airport except in the areas specifically established for parking and in the manner prescribed by the Airport Manager.

(b) No person shall abandon any motor vehicle on the airport or park a motor vehicle on the airport for a period in excess of seventy-two hours unless express approval for such parking is obtained from the Airport Manager.

(c) No person shall park a motor vehicle in any space marked off for the parking of vehicles, in such manner as to occupy part of another marked space.

(d) No person shall park any motor vehicle in excess of the time limit prescribed by the Airport Manager for the particular parking area, or park any motor vehicle in any restricted or reserved area unless authorized by the Airport Manager to do so.

(e) No person shall park a motor vehicle in a metered parking space without depositing in the parking meter controlling such parking space the required sum of money for the length of time stated on such meter, or park a motor vehicle in an area requiring payment for parking thereon without paying the required parking fee. If at any time during which any person's motor vehicle shall be parked in a space controlled by a parking meter, such parking meter shall indicate that there has been a violation, the owner or operator of such motor vehicle shall be deemed to be guilty of a violation of this regulation unless such owner or operator can show that the parking meter was not operating properly.

§ 580.138 *Motor vehicle lights.* Each motor vehicle, except a motorcycle, shall be equipped with two headlights and one or more red tail lights, the headlights to be of sufficient brilliance to assure safety in driving at night, and all lights shall be kept lighted after sunset when the vehicle is on any roadway of the airport. The operator of a vehicle shall dim or lower the beam of headlights or other lights on such vehicle when meeting an oncoming vehicle.

§ 580.139 *Repair of motor vehicles.* No person shall clean or make any repairs to a motor vehicle on a roadway or in a parking area of the airport, unless authorized by the Airport Manager, except those minor repairs necessary to remove such motor vehicle from the airport; nor shall any person move, interfere with or tamper with, any motor vehicle, or put in motion the engine, or take, or use any motor vehicle part, instrument, or tool thereof, without the permission of the owner or satisfactory evidence of the right to do so duly presented to the Airport Manager.

§ 580.140 *Busses.* No carrier by motor bus for hire shall load or unload passengers at the airport at any place other than that designated by the Airport Manager.

§ 580.141 *Moving of vehicles.* The Airport Manager or his duly authorized agent shall have the authority to tow or otherwise move motor vehicles which are parked by their owners or operators on the airport in violation of the regulations of the airport whenever the Airport Manager or his agents determine that such motor vehicles so parked create a nuisance or a hazard. The Airport Manager shall have the authority to make a reasonable charge against the owner or operator of such vehicle for such towing or moving service, and the motor vehicle so towed or moved shall be subject to lien for such charge.

§ 580.142 *Motor vehicle license tags.* No person shall operate a motor vehicle on any airport roadway when such vehicle does not possess valid license tags issued by appropriate authority unless such operation is approved by the Airport Manager.

SUBPART J—ENFORCEMENT OF RULES

§ 580.151 *Penalties.* (a) Any person who knowingly and wilfully violates any rule or regulation prescribed in this part, or any order or instruction issued by the Airport Manager authorized herein, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $500.00, or imprisoned not more than six months, or both.

(b) In addition to the penalties prescribed in paragraph (a) of this section, the Airport Manager may remove or eject from the airport premises any person who knowingly and wilfully violates any rule or regulation prescribed in this part, or any order or instruction issued by the Airport Manager authorized herein, and the Airport Manager may deny the use of the airport and its facilities to any such person if he determines that such denial is necessary under the circumstances.

This part shall become effective upon publication in the FEDERAL REGISTER.

F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51-14662; Filed, Dec. 11, 1951; 8:46 a. m.]

[Amdt. 7]

PART 608—DANGER AREAS

DANGER AREA ALTERATIONS

The danger area alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and are adopted when indicated in order to promote safety of the flying public. Since a military function of the United States is involved, compliance with section 4 of the Administrative Procedure Act is not required. Part 608 is amended as follows:

1. In § 608.28, the Patuxent, Maryland, area (d), published on January 18, 1950, in 15 F. R. 294, is deleted.

2. In § 608.54, a Tangier Island, Virginia, area is added to read:

Name and location (chart)	Description by geographical coordinates	Designated altitudes	Time of designation	Using agency
TANGIER ISLAND (Norfolk Chart).	A circle with a radius of 5 nautical miles centered at lat. 37°47′ 54″ N, long. 76°03′48″ W, excluding any portion which overlaps Amber Civil Airway No. 9.	Surface to unlimited.	Continuous.	Patuxent River NAS, Md.

3. In § 608.63, the Desecheo (misspelled "Desechoe") Island, Puerto Rico, area, published on October 31, 1951, in 16 F. R. 11068, is amended by changing the "Designated Altitudes" column to read: "Surface to 50,000 feet."

4. In § 608.63, the Monita Island, Puerto Rico, area, published on October 31, 1951, in 16 F. R. 11068, is amended by changing the "Designated Altitudes" column to read: "Surface to 50,000 feet."

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective on December 10, 1951.

F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51-14661; Filed, Dec. 11, 1951; 8:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 5792]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

EDWARD GOLDSTEIN ENTERPRISES, INC., ET AL.

Subpart—*Advertising falsely or misleadingly:* § 3.105 *Individual's special selection or situation;* § 3.155 *Prices; coupon, certificate, check, credit voucher, etc., values: Exaggerated as regular and customary—Product or quantity covered.* Subpart—*Offering unfair, improper and deceptive inducements to purchase or deal:* § 3.1985 *Individual's special selection or situation.* In connection with the offering for sale, sale and distribution of fur or cloth

coats, dresses, suits, or other women's furnishings in commerce, (1) representing to customers or prospective customers, by use of trade checks or coupons or otherwise, that suits, coats or other articles of women's furnishings offered by respondents or any respondent have greater selling prices than the prices at which the same are so offered, when such is not the fact; (2) representing that many coats, suits, dresses or other articles of women's furnishings are offered for sale by any respondent at less than wholesale cost when in fact no substantial portion of the stock in the store making the offer or only old, soiled or outmoded merchandise is so offered and sold; or (3) representing that fifty-dollar, twenty-dollar or other trade checks or coupons are sent only to especially selected persons, when in truth and in fact the trade checks or coupons are mailed to all individuals listed in the telephone directory for the city and adjoining area in which the store sending the trade checks or coupons is located; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Edward Goldstein Enterprises, Inc., et al., Docket 5792, November 3, 1951]

In the Matter of Edward Goldstein Enterprises, Inc., a Corporation, Brentley's, Inc., a Corporation; and Edward Goldstein and Benjamin H. Dranow, Individually and as Officers of Edward Goldstein Enterprises, Inc., and Brentley's, Inc.

This proceeding was heard by John W. Addison, trial examiner, upon the complaint of the Commission and respondents' answer, in which all of the material allegations of facts set forth in said complaint were admitted and all intervening procedure and further hearing as to said facts were waived, upon condition, however, that the complaint be dismissed as to respondent Edward Goldstein.

Thereafter the proceeding regularly came on for final consideration by said trial examiner, theretofore duly designated by the Commission, upon said complaint and answer, and motion by counsel supporting the complaint to dismiss it as to respondent Goldstein (all intervening procedure having been waived and no proposed findings and conclusion having been presented by counsel nor oral argument requested), and said trial examiner, having duly considered the record in the matter, and having found that the proceeding was in the interest of the public, made his initial decision, comprising certain findings as to the facts, conclusion drawn therefrom, and order to cease and desist as to respondents other than said Goldstein, and order of dismissal without prejudice as to the latter (as to whom it appeared that he took no part in the practices found, and that his only interest in the corporate respondents was that of an investor).

No appeal having been filed from said initial decision of said trial examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist and said order of dismissal, accordingly, under the provisions of said Rule XXII, became the decision of the Commission on November 3, 1951.

The said order to cease and desist is as follows:

It is ordered, That respondents Edward Goldstein Enterprises, Inc., a corporation, Brentley's, Inc., a corporation, their officers, representatives, agents and employees, and Benjamin H. Dranow, individually and as an officer of said corporate respondents, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of fur or cloth coats, dresses, suits, or other women's furnishings in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing to customers or prospective customers, by use of trade checks or coupons or otherwise, that suits, coats or other articles of women's furnishings offered by respondents or any respondents have greater selling prices than the prices at which the same are so offered, when such is not the fact;

2. Representing that many coats, suits, dresses or other articles of women's furnishings are offered for sale by any respondent at less than wholesale cost when in fact no substantial portion of the stock in the store making the offer or only old, soiled or outmoded merchandise is so offered and sold;

3. Representing that fifty-dollar, twenty-dollar or other trade checks or coupons are sent only to especially selected persons, when in truth and in fact the trade checks or coupons are mailed to all individuals listed in the telephone directory for the city and adjoining area in which the store sending the trade checks or coupons is located; and

It is further ordered, That this proceeding be, and it is, dismissed hereby as to respondent Edward Goldstein without prejudice to the right of the Commission to institute further proceedings should future facts warrant.

By "Decision of the Commission and order to file report of compliance," Docket 5792, November 2, 1951, which announced and decreed fruition of said initial decision, report of compliance with the said order was required as follows:

It is ordered, That the respondents Edward Goldstein Enterprises, Inc., a corporation, Brentley's, Inc., a corporation, and Benjamin H. Dranow, individually and as an officer of Edward Goldstein Enterprises, Inc., and Brentley's, Inc., shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: November 2, 1951.

By the Commission.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 51-14710; Filed, Dec. 11, 1951; 8:52 a. m.]

PART 123—RAYON INDUSTRY

EDITORIAL NOTE: This part is replaced in its entirety by Part 204, Rayon and Acetate Textile Industry, which appeared at 16 F. R. 12424, of the issue for Tuesday, December 11, 1951.

TITLE 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 545—HOMEWORKERS IN THE NEEDLEWORK AND FABRICATED TEXTILE PRODUCTS INDUSTRY IN PUERTO RICO

MISCELLANEOUS AMENDMENTS

On November 2, 1951 (16 F. R. 11192) and November 16, 1951 (16 F. R. 11657) proposed amendments to regulations contained in this part were published in the FEDERAL REGISTER and interested parties were given 15 days within which to submit data, views and arguments pertaining thereto.

The International Ladies Garment Workers Union submitted an objection to the proposed new minimum piece rates for hand-cutting machine-embroidered scallops. However, after a careful study of the objections of the union and all the available information concerning the time tests on which such piece rates are based it is my conclusion that such rates satisfy the requirements of section 6 (a) (2) of the Fair Labor Standards Act, as amended, and that they are commensurate with the applicable minimum hourly wage rate.

Accordingly, pursuant to authority under section 6 (a) (2) of the Fair Labor Standards Act of 1938, as amended, the proposed amendments to this part published in the FEDERAL REGISTER on November 2, 1951 (16 F. R. 11192) and November 16, 1951 (16 F. R. 11657) and set forth below are hereby adopted. Such amendments shall become effective on January 14, 1952.

1. In § 545.2, amend paragraphs (b) and (c) to read as follows:

§ 545.2 *Definitions.* * * *

(b) "Homeworker," as used in this part, means any employee employed or suffered or permitted to perform homework for an employer.

(c) "Homework," as used in this part, means the production by any person in or about a home, apartment, tenement, or room in a residential establishment, of goods for an employer who suffers or permits such production, regardless of the source (whether obtained from an employer or elsewhere) of the materials used by the homeworker in such production; *Provided*, That such work is not performed under the constant and direct supervision of an employer or of a responsible supervisor and under such conditions that accurate records of hours worked are maintained or can readily be maintained.

2. In § 545.14, Schedule B, amend heading, add new minimum piece rates at the end of the schedule and change footnote 1, as follows:

§ 545.14 *Piece rates established in accordance with § 545.10.* * * *

SCHEDULE B—PIECE RATE SCHEDULE FOR THE HANDKERCHIEF AND SQUARE SCARF DIVISION AND THE HOUSEHOLD ART LINEN DIVISION OF THE NEEDLEWORK AND FABRICATED TEXTILE PRODUCTS INDUSTRY IN PUERTO RICO [1]

No.	Operation	Piece rate (based on hourly rate of 30 cents)	Unit of payment
•	• • • •	•	• •
	Non-hand-sewing operations		
	Hand-cutting machine-embroidered, shallow, curved scallops:	*Cents*	
187.4	Small, measuring from 5/16" up to, but not including, 5/8", along outside edge.	0.16	Per dozen scallops.
187.5	Medium, measuring from 5/8" up to, but not including 7/8", along outside edge.	.20	Do.
187.6	Large, measuring from 7/8" to, and inclusive of, 1 1/4", along outside edge.	.30	Do.

[1] The piece rates apply only to "hand-sewing" operations unless specifically indicated otherwise in the schedule. For description of operations included under "hand-sewing," see definition in applicable section of wage order.

Signed at Washington, D. C., this 6th day of December 1951.

WM. R. MCCOMB,
Administrator,
Wage and Hour Division.

[F. R. Doc. 51-14694; Filed, Dec. 11, 1951; 8:49 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Rent Stabilization, Economic Stabilization Agency

[Controlled Housing Rent Reg., Amdt. 428]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 423]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

HOUSING AND ROOMS SUBJECT TO A MORTGAGE BY FEDERAL HOUSING COMMISSIONER

Amendment 428 to the Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and Amendment 423 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§825.81 to 825.92). Said regulations are amended in the following respects:

1. Section 825.4 (b) is amended by adding a new paragraph (9) reading as follows:

(9) *Housing subject to a mortgage insured by the Federal Housing Commissioner.* For housing accommodations which are subject to a mortgage insured, or for which a commitment to insure has been issued, by the Federal Housing Commissioner pursuant to the National Housing Act, as amended, and for which the maximum rent is approved by the Commissioner, the maximum rent shall be the maximum rent approved by the Commissioner on effective date of regulation or on the date of first renting such accommodations, whichever is later. The landlord shall within forty-five (45) days after effective date of regulation or within thirty (30) days after first renting said accommodations, whichever is later, file a proper registration statement in the area rent office in accordance with the provisions of § 825.7 together with evidence of approval of the maximum rent by the Commissioner: *Provided, however,* That where a maximum rent is established under this paragraph and such approved rent is changed by the Federal Housing Commissioner on or before the date of final endorsement of the mortgage for insurance, the maximum rent shall be such changed rent. The landlord shall within fifteen days after such approval file a registration statement reflecting such change. If such change increases the maximum rent, the new maximum rent shall not be effective until the registration statement reflecting such change is filed in the area rent office.

2. Section 825.84 (b) is amended by adding a new paragraph (7) reading as follows:

(7) *Rooms subject to a mortgage insured by the Federal Housing Commissioner.* For rooms which are subject to a mortgage insured, or for which a commitment to insure has been issued, by the Federal Housing Commissioner, pursuant to the National Housing Act, as amended, and for which the maximum rent is approved by the Commissioner, the maximum rent shall be the maximum rent approved by the Commissioner on effective date of regulation or on the date of first renting such rooms, whichever is later. The landlord shall within forty-five (45) days after effective date of regulation or within thirty (30) days after first renting said room, whichever is later, file a proper registration statement in the area rent office in accordance with the provisions of §825.87 together with evidence of approval of the maximum rent by the Commissioner: *Provided, however,* That where a maximum rent is established under this paragraph and such approved rent is changed by the Federal Housing Commissioner on or before the date of final endorsement of the mortgage for insurance, the maximum rent shall be such changed rent. The landlord shall within fifteen days after such approval file a registration statement reflecting such change. If such change increases the maximum rent, the new maximum rent shall not be effective until the registration statement reflecting such change is filed in the area rent office.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

This amendment shall be effective December 12, 1951.

Issued this 7th day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 51-14728; Filed, Dec. 11, 1951; 8:56 a.m.]

[Controlled Housing Rent Reg., Amdt. 429]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 424]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

IDAHO

Amendment 429 to the Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and Amendment 424 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§825.81 to 825.92). Said regulations are amended in the following respect:

In Schedule A, Item 80a is added as follows:

State and name of defense-rental area	Class	County or counties in defense-rental areas under regulation	Maximum rent date	Effective date of regulation
Idaho				
(80a) Mountain Home..	A	In Elmore County, Mountain Home precincts 1 and 2.	May 1, 1951	Dec. 12, 1951

These amendments are issued as a result of a joint certification pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (1) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

This amendment shall be effective December 12, 1951.

Issued this 7th day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 51-14727; Filed, Dec. 11, 1951; 8:56 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VI—Department of the Navy

PART 701—AVAILABILITY OF OFFICIAL RECORDS

OFFICIAL RECORDS IN CIVIL COURT AND PRODUCTION OF OFFICIAL RECORDS IN ABSENCE OF COURT ORDER

1. Section 701.2 is revised to read as follows:

§ 701.2 *Official records in civil court.* (a) Unless authorized by the Secretary of the Navy or his designee, persons in the naval service and civil employees are prohibited from releasing or producing, in response to subpoenas duces tecum, motions for discovery, or in answer to interrogatories or otherwise, any official records or copies thereof, including the

records described in paragraph (b) of this section or classified matter, in a civil court, or in connection with preliminary investigations by attorneys or others. Official records or copies thereof will be produced in such cases when authorized under procedures prescribed in paragraphs (c) and (d) of this section.

(b) The records of proceedings of Navy courts-martial, courts of inquiry, boards of investigation, and the records of investigations and administrative reports are intended solely for use in the Naval Establishment and are privileged. Such records or documents are confidential, for good cause found, within the meaning of the Administrative Procedure Act. The Secretary of the Navy, or his designee, may make such records or information therefrom available to persons properly and directly concerned whether or not litigation is involved.

(c) In cases where naval records are desired by or on behalf of litigants and where the records are not classified or of a privileged and confidential status as described in paragraph (b) of this section, such parties will be informed that the procedure for the production of the records desired or certified copies thereof is to obtain and forward to the Secretary of the Navy, Navy Department, Washington, D. C., or other custodian of the records, a court order calling for the particular records desired or copies thereof. Compliance with such court orders, after authorization by the Secretary of the Navy or his designee, will be effected by transmitting certified copies of the records to the clerk of the court out of which the process issues or by production of the original records by naval custodian where necessary. Where an original record is produced it will not be removed from the custody of the person producing it but copies may be placed in evidence in the case. Upon the written request of all parties in interest or their counsel records which would be produced in response to a court order as set forth in this paragraph may be furnished without court order.

(d) As exceptions to paragraph (c) of this section, and where not in conflict with the restrictions in paragraphs (a) and (b) of this section, the production in Federal, state, territorial, or local courts, of the service, employment, pay, or medical records (including medical records of dependents) of personnel of the Navy, Marine Corps, and the civilian employees thereof is authorized upon receipt of a court order, where litigation is pending, without procuring specific authority from the Secretary of the Navy. Where travel is involved, it must be without expense to the government or to the person producing the records.

2. A new § 701.3 is added as follows:

§ 701.3 *Production of official records in absence of court order.* (a) Whether or not litigation is involved, naval personnel, civilian employees of the Naval Establishment, their personal representatives, e. g., executors, guardians, etc., or other properly interested parties may be furnished copies of records or information therefrom relating to death, personal injury, loss, or property damage to or involving such personnel, without following the procedures prescribed in either paragraph (c) or (d) of § 701.2, provided the interests of the United States are not prejudiced thereby. All such requests shall be referred to the Judge Advocate General of the Navy.

(b) Officers' and enlisted men's records are deemed confidential for good cause found except to persons properly and directly concerned, including the serviceman himself, and personal representatives of the serviceman, e. g., executors, guardians, etc., who present proper proof thereof. The serviceman, former serviceman, or personal representative may obtain access to health records by applying to the Chief of the Bureau of Medicine and Surgery, Navy Department, Washington 25, D. C., and for other personnel records to the Chief of Naval Personnel, Navy Department, Washington 25, D. C. Applications for Marine Corps personnel records should be addressed to the Commandant of the Marine Corps, Headquarters U. S. Marine Corps, Washington 25, D. C. Application may be made in person or in writing.

(R. S. 161; 5 U. S. C. 22)

Dated: December 4, 1951.

DAN A. KIMBALL,
Secretary of the Navy.

[F. R. Doc. 51-14660; Filed, Dec. 11, 1951; 8:45 a. m.]

No. 240——8

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 9, Amdt. 5]

CPR 9—TERRITORIES AND POSSESSIONS

EXEMPTION OF CHRISTMAS TREES

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82nd Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 5 to Ceiling Price Regulation 9 is hereby issued.

STATEMENT OF CONSIDERATIONS

Amendment 21 to the General Ceiling Price Regulation, and the accompanying statement of considerations, removes Christmas trees from price control at all levels of sale and distribution because the application of ceiling prices frozen at base period levels was inequitable and impracticable. All Christmas trees sold in Guam, Hawaii, Puerto Rico and the Virgin Islands are produced in the continental United States or in other areas outside of the territories. Presently, therefore, ceiling prices for such trees in these four territories, and for trees brought into Alaska, are established under CPR 9 on the basis of the direct cost plus normal base period or percentage markup.

A very substantial portion of the sales of these trees in these territories, as well as in the continental United States, is made by seasonal operators who may be expected to have no base period records or markups. Compliance with the regulation, therefore, on the part of sellers is bound to result in the filing of applications for price under section 6 of CPR 9. Since the greater portion of sellers of these trees are in this business for only the period immediately prior to Christmas, such applications would have to be examined immediately and handled expeditiously if any compliance is to be obtained. This will throw a very considerable burden of work upon the Territorial Offices and divert efforts of staff from problems which are clearly of greater moment. In the absence of any undue price pressures in this area, and none have been noted to date, exemption of this commodity for this coming Christmas season appears to be warranted in the interest of good administration. In view of the prior action of the National Office in exempting these trees and of the general publicity given to such action, which has undoubtedly been anticipated by territorial sellers, formal consultation with industry representatives has not been deemed necessary.

AMENDATORY PROVISIONS

1. CPR 9 is amended by adding a new section between section 14 and section 15, as follows:

SEC. 14a. *Exemptions.* Sales of the following commodities in Alaska, Guam, Hawaii, Puerto Rico, and the Virgin Islands, are exempt from this regulation

(a) Christmas trees.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This Amendment 5 to Ceiling Price Regulation 9 is effective December 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 11, 1951.

[F. R. Doc. 51-14831; Filed, Dec. 11, 1951; 11:51 a. m.]

Chapter IV—Salary and Wage Stabilization, Economic Stabilization Agency

Subchapter A—Salary Stabilization Board

[Interpretation 3]

INT. 3—PROFIT SHARING AND OTHER BONUSES UNDER GENERAL SALARY STABILIZATION REGULATION NO. 2

GENERAL

0.01 Q. Does the Bonus Regulation issued by the Salary Stabilization Board differ from the bonus regulation issued by the Wage Stabilization Board?

A. Yes, because of the substantial differences in custom and general practice in bonus payments to management employees as distinguished from production workers.

SECTION 1

1.01 Q. To what types of bonuses does the Bonus Regulation apply?

A. The Bonus Regulation applies primarily to bonuses based on profit sharing.

The Bonus Regulation applies whether the bonuses are paid directly to employees or under a profit-sharing plan or into a fund or trust. The profit-sharing plan or trust may, but need not, be one approved by the Bureau of Internal Revenue under section 165 of the Internal Revenue Code. Such a profit-sharing plan or trust does not necessarily give rise to contractual bonuses under section 3 of the Regulation (see 3.09).

The Bonus Regulation also applies to bonuses customarily paid on holidays, at the end of the employer's fiscal or calendar year, at vacation time or on similar occasions. However, paid vacations are not within the scope of the Bonus Regulation; to the extent that such paid vacations were a practice of the employer in effect on January 25, 1951, they may represent an auxiliary pay practice authorized by other salary stabilization regulations.

Christmas or year-end bonuses may, at the employer's election, be paid to the extent permitted under either the Bonus Regulation or under Interpretation 2. If paid under Interpretation 2, bonuses of a similar nature paid in prior years may not be included as part of the "base period bonus fund" provided for by the Bonus Regulation.

1.02 Q. Does the Bonus Regulation apply to a bonus paid for the successful performance of an important assignment, such as the successful completion of a series of especially newsworthy articles?

A. Yes, provided the employer has a bonus fund available under the Regulation.

1.03 Q. Are there bonuses to which the Bonus Regulation does not apply?

A. Yes. The Bonus Regulation does not apply to bonuses which are directly related to hours worked, such as bonuses for overtime or work on Saturdays, Sundays, or holidays. The Bonus Regulation does not apply to bonuses based on units produced, such as incentive bonuses of the type often paid to wage earners.

The Bonus Regulation also does not apply to bonuses that are both computed and paid more often than every three months (see 1.05 and 1.06).

1.04 Q. Are salesmen's commissions considered bonuses within the Bonus Regulation?

A. No. Salesmen's commissions are not bonuses within the Regulation, but are a distinct method of paying salesmen their basic compensation, which has been made the subject of a separate regulation. On the other hand, a bonus paid to a department store or branch manager based on a percentage of profits is a profit-sharing bonus within the provisions of the Bonus Regulation.

1.05 Q. Does the Bonus Regulation apply to a bonus that is computed each month but paid only once a year?

A. Yes. Only bonuses which are both computed and paid more frequently than every three months are excluded from the provisions of the Bonus Regulation.

1.06 Q. A company has had a practice of computing and setting aside 5 percent of its net profits after the close of each calendar year and paying such profits to employees in monthly installments. Does the Bonus Regulation apply to these profit-sharing bonuses?

A. Yes. Even though the bonuses are paid in monthly installments, they are computed only once a year.

1.07 Q. Is severance pay covered by the Bonus Regulation?

A. No. Severance pay constitutes an auxiliary pay practice governed by the provisions of other salary stabilization regulations.

1.08 Q. How are bonuses classified under the Bonus Regulation?

A. The Bonus Regulation classifies bonuses as follows:

(1) Contractual bonuses which are paid pursuant to a contract or established plan under which both computation and allocation are predetermined (section 3);

(2) Bonuses paid pursuant to an established plan under which allocation is of a discretionary nature (section 4);

(3) Discretionary bonuses under which both computation and allocation are of a discretionary nature (section 5).

The Bonus Regulation treats bonuses in the first category differently from those in the second and third categories; bonuses in the second and third categories are, generally speaking, treated in a similar manner.

1.09 Q. Under the Bonus Regulation, must a bonus be paid in cash?

A. No. Bonuses may be paid in cash or in property, such as stock of the employing corporation or of another corporation, government bonds, or any other property.

1.10 Q. How should the amount of bonus paid in stock or other property be determined for the purpose of the Regulation?

A. By determining the fair market value of the stock or property at the time of its award (see 2.05).

1.11 Q. Under a profit-sharing plan, bonuses have historically been paid 50 percent in cash and 50 percent in stock. May the bonus this year be paid 75 percent in cash and 25 percent in stock?

A. Yes. Provided the total bonus does not exceed the total amount allowable under the Bonus Regulation.

SECTION 2

2.01 Q. Does the Bonus Regulation establish a dollar ceiling on bonuses?

A. Yes. The Bonus Regulation establishes a dollar ceiling upon all bonuses other than contractual bonuses, which are separately treated in the Bonus Regulation.

For bonuses paid under either section 4 or section 5, the employer is given two general alternatives in computing his dollar ceiling:

(1) The employer can base current bonus payments on the total bonuses paid for the calendar year 1950. If the employer elects this alternative and paid bonuses totaling $50,000 for the calendar year 1950, the sum of $50,000 is his ceiling.

(2) The Bonus Regulation recognizes that the year 1950 may not have been typical for certain companies. Accordingly, it gives the employer the alternative of selecting three years from the five calendar years 1946 to 1950 and taking the average of the total bonuses paid in the three years thus selected.

Example. The employer paid bonuses as follows:

1946	$35,000
1947	60,000
1948	45,000
1949	55,000
1950	50,000

The total bonuses for the three highest years (1947, 1949 and 1950) amount to $165,000, producing an annual average of $55,000. This annual average is higher than the 1950 bonus of $50,000, and the employer may treat the sum of $55,000 as his ceiling.

The ceiling under either alternative selected by the employer is called the "base period bonus fund."

2.02 Q. If an employer did not distribute a bonus in 1950, may he nevertheless distribute a bonus in 1951?

A. Yes, provided that a bonus was paid in at least one out of the four years 1946, 1947, 1948 and 1949. If he paid a bonus in only one of these four years, his bonus ceiling is one-third of the bonus paid in that one year. If he paid a bonus in only two of these years, his bonus ceiling is one-third of the total bonuses paid in these two years.

2.03 Q. May an employer who was limited in the distribution of discretionary bonuses in 1950 or other years since 1946, due, for example, to a restrictive agreement with the Reconstruction Finance Corporation, or another lending institution, increase his bonus ceiling when the restriction is removed?

A. No.

2.04 Q. To what extent is the employer bound by his selection of either alternative in computing the bonus ceiling?

A. The employer is bound by his selection for the purpose of all other determinations under the Bonus Regulation, including the determination of the highest single bonus paid by the employer for the purpose of sections 4 and 5, and the determination of increases or decreases in the bonus group under section 6. All such determinations must be made on the basis of the year or years used in computing the base period bonus fund.

2.05 Q. How is property distributed as a bonus value for the purpose of determining the bonus ceiling?

A. Property distributed as a bonus should be valued at its fair market value as of the time of the bonus award. Valuation practices acceptable under the Internal Revenue Code may be followed in making such valuations. However, a past practice which has been consistently followed prior to January 25, 1951, should be continued; for example, if common stock is awarded as a bonus and, according to past practice, has been valued at its average market value over a particular period, such practice should be followed under the Regulation.

2.06 Q. If an annuity is awarded as a bonus, how should the annuity be valued?

A. The amount of the premium paid for the annuity by the employer on behalf of the employee represents the value of the bonus under the Bonus Regulation.

2.07 Q. What is meant by bonuses "payable with respect to the calendar year 1950"?

A. Many companies follow the practice of paying bonuses for a particular year after the close of that year. It would have been inequitable to permit some companies to use 1950 profits to compute their bonus ceiling because such companies happened to pay 1950 bonuses in 1950 while not permitting other companies to use 1950 profits for the purpose of their bonus ceiling because such companies, in accordance with their normal practice of paying bonuses for one year after the close of that year, had not paid 1950 bonuses prior to January 25, 1951, the stabilization date. On the other hand, companies could not be permitted to determine their 1950 bonuses, subsequent to issuance of the Bonus Regulation, for any such permission would be wholly inconsistent with stabilization objectives. The Bonus Regulation was issued on August 17, 1951 and it was assumed that companies which normally paid bonuses for 1950 after the close of that year would long before the issuance of the Bonus Regulation have made their bonus determinations and awards subject only to the approval of stabilization authorities.

In view of the foregoing, bonuses "payable with respect to the calendar year 1950" is construed to mean bonuses which are:

(1) Payable as compensation for services rendered during 1950, and

(2) Payable entirely out of profits earned in 1950, and

(3) Determined and fixed in amount prior to August 17, 1951, and which would have been paid prior to August 17, 1951, but for wage or salary stabilization.

Any employer paying 1950 bonuses in 1951 must maintain records sufficient to establish that such bonuses comply with each of the foregoing requirements. Profit and loss statements, balance sheets, annual reports, income tax returns, and substantiating entries in the employer's books will be considered relevant. The amendment subsequent to August 17, 1951, of income tax or other returns to reflect increased bonuses will be deemed prima facie evidence that such bonuses were not determined and fixed in the manner contemplated by the Bonus Regulation and bonuses paid under such circumstances may be deemed a violation of the Bonus Regulation.

2.08 Q. What is meant by bonuses payable with respect to three years selected by the employer out of the five calendar years from 1946 to 1950?

A. Bonuses paid with respect to each such year after the close of that year as compensation for services rendered during that year and paid entirely out of that year's profits. If the year 1950 is included among the three base years, such bonuses must have been both fixed in amount and determined prior to August 17, 1951 (see 2.07).

2.09 Q. How may an employer on a fiscal year basis determine his bonus ceiling?

A. For the purpose of determining a bonus ceiling an employer on a fiscal year basis may use only bonus payments made during the calendar year 1950 or during any three calendar years selected from the five years 1946 through 1950. An employer on a fiscal year basis may not use bonuses that were not actually paid on or before December 31, 1950.

Example. A profit-sharing plan provides that 10 percent of net profits shall be placed in a bonus fund with selection of participants in the bonus fund discretionary. The company's fiscal year expires on June 30. In September 1950 the company paid into the bonus fund and thereafter paid out $50,000, representing 10 percent of its net profits of $500,000 for the fiscal year ending June 30, 1950. The company's net profits for July through December 1950 (the first 6 months of the company's fiscal year ending June 30, 1951) amounted to $750,000. However, no part of such profits was distributed to employees. The company's ceiling amounts to $50,000 and the company may not increase such ceiling by adding 10 percent of the net profits during the last 6 months of 1950. If the employer had distributed a part of the July–December 1950 profits in 1950, such part may be added to the ceiling.

SECTION 3

3.01 Q. What is a contractual bonus?

A. A contractual bonus is a bonus payable under a contract or a corporate instrument, such as a by-law, or under an established plan, in effect on January 25, 1951, providing a method or formula for both the computation of the bonus fund and for its allocation in a fixed or specific manner among ascertainable employees. Such a definite share in the profits is considered part of the rate of compensation that the employee was receiving on January 25, 1951, and which he may continue to receive.

Example. A corporate by-law provides that 7½ percent of the company's net profits shall be set aside for the president and four vice presidents, the president to receive 2½ percent and each of the four vice presidents to receive 1¼ percent. The by-law is considered as fixing a rate of compensation for the designated employees which includes the stated percentage of profits. The Bonus Regulation allows payment of such percentage compensation to continue.

3.02 Q. Is there a limitation on contractual bonuses?

A. The limitation on contractual bonuses is on the method or formula for computing the bonus. There is no dollar ceiling and the amount payable pursuant to such an arrangement may continue to be paid irrespective of variations in amount, but no increase in payments may be made as a result of a change, subsequent to January 25, 1951, in the method or formula of computing the bonus.

3.03 Q. What kind of changes in contractual bonuses are prohibited under the Bonus Regulation?

A. If a contract between an employing corporation and its president in effect on January 25, 1951 provides for the payment of a fixed salary plus 2½ percent of the net profits after taxes, the contract may not now be changed to increase the percentage of profits payable to the president from 2½ to 3½ percent. Similarly, the contract may not now be changed to compute the share of profits before taxes or to eliminate depreciation as an expense item in the computation of his share of the profits if depreciation had previously been treated as an expense. Changes of such a nature may result in increased bonus payments. Nor may the formula be changed in such a way as to change the base in a manner not permitting a definite determination as to whether the bonus would be increased by the change.

On the other hand, reduction in the percentage of profits to be charged may of course be put into effect.

3.04 Q. Under an employment contract made in 1948, an employee is entitled to receive 2 percent of the company's annual net profits up to $500,000 and 2½ percent of the company's annual net profits in excess of $500,000. If the company's net profits have never exceeded $500,000 in the past but are expected to exceed $500,000 in 1951, may the employee be paid 2½ percent of the company's net profits in excess of $500,000?

A. Yes. The increased percentage is considered part of the employee's rate of compensation in effect on January 25, 1951.

3.05 Q. A bonus plan in effect on January 25, 1951, provides that 5 percent of the company's annual net profits shall be distributed among ten designated officers and employees of the company in proportion to their salaries at the time of the bonus award. Is the plan considered a contractual bonus plan?

A. Yes, if all the participating officers and employees were specifically designated and ascertainable prior to January 25, 1951. However, if the officers and employees were subject to selection, the plan would not be considered a contractual bonus plan.

3.06 Q. A bonus plan provides that 10 percent of the net profits shall be set aside for the president of the company and such employees as he may designate, the president to receive 25 percent of the bonus fund and the remaining employees to receive such bonuses as the president may determine. Is this a contractual bonus plan?

A. No, except as to the president, since he is the only employee who is entitled to a bonus determined in accordance with a definite method or formula for both computation and allocation of the bonus.

3.07 Q. A bonus plan provides that 5 percent of the net profits of the company shall be set aside for five designated employees in proportion to their salaries. The plan provides that the share of any participating employee may either be reduced or increased by not more than 10 percent in the discretion of the Board of Directors. Is this a contractual bonus plan?

A. Yes, this is a contractual bonus plan but only to the extent that each of the participating employees has a predetermined share in the fund, i. e., as to 90 percent of his interest in the bonus fund. The remaining 10 percent interest of the participating employees constitutes a fund under a discretionary bonus plan (section 4) since allocation is of a discretionary nature.

3.08 Q. In the foregoing example, would the result be changed if the Board of Directors, subsequent to January 25, 1951, renounced its discretion to reduce

or increase the share of each participating employee?

A. No. Such renunciation represents an attempt to convert the bonus fund from a discretionary to a contractual basis in respect of the 10 percent interest of the participating employees.

3.09 Q. Are profit-sharing plans that are qualified under section 165 of the Internal Revenue Code contractual bonuses?

A. The answer depends upon the nature of the plan and the obligation of the employer to the participating employees. The same considerations apply as in the case of other plans. Profit-sharing plans qualified under section 165 of the Internal Revenue Code may be the subject of a separate regulation relating to deferred compensation generally.

3.10 Q. An employment contract in existence on January 25, 1951, provides that in any year in which the employing company's annual net profits exceed $100,000, the employee shall be paid a bonus equal to 5 percent of his salary. In 1950 the employee's salary was $10,000. In June 1951 the employee's salary was increased to $11,000. Is the employee entitled in December 1951 to a bonus of $500 (5 percent of $10,000) or $550 (5 percent of $11,000)?

A. The employee is entitled to a bonus of $550, assuming of course that the salary increase was permitted by salary stabilization regulations. On the other hand, if the employee received the salary increase as a result of a promotion and the employee's predecessor in the position to which he was promoted was receiving a salary of $11,000 without a contractual bonus arrangement, the profit-sharing arrangement is no longer part of the rate of compensation for the employee's position and the contractual bonus cannot be continued.

3.11 Q. Under an employment contract made in November 1950 an employee is entitled to 2½ percent of the net profits. The contract expires on October 31, 1951. May the contract be renewed for an additional period?

A. Yes, provided the terms, including the profit-sharing percentage and its computation, are no more favorable to the employee. Renewal of the contract under such circumstances will not be considered to have increased the employee's rate of compensation.

3.12 Q. Under an employment contract in effect on January 25, 1951, the Executive Vice President of a company was entitled to 2½ percent of the company's net profits. The contract expired on August 31, 1951, at which time the Executive Vice President left the company's employment. May another individual employed as Executive Vice President or promoted to that position receive a contract upon the same terms as the Executive Vice President who resigned?

A. Yes, provided the terms, including the profit-sharing percentage and its computation, are no more favorable to the new Executive Vice President than the previous contract. The contractual bonus was part of the rate of compensation attached to the position of Executive Vice President on January 25, 1951 and may continue to be paid to an individual actually discharging the duties and responsibilities of that position.

SECTION 4

4.01 Q. A company has had a profit-sharing plan which provides that 5 percent of the company's net profits shall be set aside for allocation to key employees selected by a Bonus Committee. During 1950 the company's net profits amounted to $500,000 representing a greater amount than the average net profits during any three of the five years, 1946 to 1950. The company distributed $25,000 as profit-sharing bonuses in respect of the year 1950. During 1951 it is expected that the company's net profits will amount to $750,000 so that under the company's plan the company will have available for profit sharing 5 percent of $750,000, or $37,500. May the company distribute this sum?

A. No. The company may not distribute as bonuses more than $25,000, subject to permissible adjustments permitted by salary stabilization regulations. (See 6.01; consult also section 9 of the Bonus Regulation.)

4.02 Q. How is the existence of an established written bonus plan determined?

A. An established written plan implies a formal documentary basis, permanence in time, and continued application. These requirements are not fulfilled if the plan can only be shown to exist by a compilation of payroll or similar records showing that a bonus was paid by an employer in the past. However, if the requirements of an established plan are met, the plan need not have been formally communicated to the employees.

4.03 Q. Does an employer have an established plan if the plan is readopted from year to year either by the board of directors, by stockholders, or by both?

A. Yes.

4.04 Q. A company has had a profit-sharing plan which provides that 5 percent of the company's net profits shall be set aside for allocation to employees. During 1950 the company's net profits amounted to $500,000 and the company distributed $25,000 as profit-sharing bonuses. In 1951 the company's net profits will amount to $400,000. How much may the company distribute as profit-sharing bonuses?

A. $20,000. The company must adhere to the method or formula of computation contained in the plan even though the ceiling for 1950 is at a higher figure.

4.05 Q. May the method or formula for computing the bonus fund be changed?

A. No. The bonus fund may not be increased as a result of a change in the method or formula made after January 25, 1951. (See 3.03.)

4.06 Q. If an employer uses a three-year period for computing his bonus ceiling, may he pay in the current year a bonus to any one of his employees up to the highest bonus paid to any employee in any one of the three years selected?

A. Yes. For example, if an employer used the average of all his bonuses paid in 1947, 1948 and 1949, and the highest bonus paid in any one of these three years was $15,000, the highest bonus payable is $15,000. If, in this example, the employer paid a bonus of $20,000 in 1950 but that year was not used in computing the bonus ceiling, the employer may not use the $20,000 bonus for the individual bonus ceiling.

4.07 Q. What other limitations are imposed on the employer's discretion in distributing bonuses?

A. The employer must follow his historical or usual practices in distributing bonuses to his employees or to groups of his employees under the plan.

For instance, if an employer had in effect a particular type of personnel evaluation system, he may not abandon this system and substitute arbitrary discretion.

If an employer allocated bonuses among divisions of his company, treating the employees in each division as a separate group, he may not abandon this system and distribute bonuses to only one division or distribute them arbitrarily among all employees without regard to sharing in the bonuses by the employees in these divisions as groups.

If the employer distributes bonuses among business divisions or other groups or units of his employees, he must observe the ceiling on the highest individual bonus in each such division, group or unit paid in the base bonus period.

4.08 Q. An employer with an established but discretionary bonus plan, administered by a Bonus Committee of the Board of Directors, had in 1950 a minimum salary requirement for participating employees of $8,500 per annum. The employer now desires to lower the minimum requirement to $7,500 per annum. May he do so?

A. No, not without approval by the Office of Salary Stabilization. Approval would likewise be required for the employer to increase the minimum salary requirement.

4.09 Q. May a discretionary bonus plan include both employees under the jurisdiction of the Wage Stabilization Board and of the Salary Stabilization Board?

A. Yes, provided that in paying bonuses, the employer separates the bonus fund for the two groups of employees, and observes the provisions of the Bonus Regulation of the Salary Stabilization Board and his historical or usual practice with regard to that portion of the bonus fund which is paid as bonuses to the employees under the jurisdiction of the Salary Stabilization Board.

SECTION 5

5.01 Q. How may discretionary bonuses be paid?

A. The employer may pay up to the same bonuses paid or payable to the same employees in or with respect to the calendar year 1950.

For example, if employees A, B, and C received in 1950 bonuses of $1,000, $3,000, and $10,000 respectively, their employer may in 1951 pay bonuses to A up to $1,000, to B up to $3,000 and to C up to $10,000. Under this method B cannot receive a bonus of $5,000. If the employer wants to pay B such a bonus, he

must use the bonus fund method under section 5 (b), as explained in paragraph 5.02.

5.02 Q. If the employer desires to make a different allocation to employees from that made in 1950, how may he do so?

A. The employer may compute his bonus ceiling (in accordance with the options allowed in section 2) and treat an amount not in excess of such ceiling as a fund which he may distribute in his discretion among any of his employees, subject to the ceiling on individual bonuses and the limitation that he must follow any past practice as to the particular groups of employees who have been paid a bonus in the past. For example, if bonuses have in the past only been paid to department heads and officers of the company were not paid bonuses, an officer of the company may not be paid a bonus this year under the Bonus Regulation.

5.03 Q. Are there any other limitations on the exercise of the employer's discretion in distributing the bonus fund?

A. The same general limitations apply as apply to the distribution of the bonus fund under an established plan (see, e. g., 4.06).

SECTION 6

6.01 Q. If an employer has in the past awarded bonuses under a plan (section 4) or out of a bonus fund (section 5 (b)) to a group of employees, may he increase the fund if the group has increased?

A. Yes. If the group is composed entirely of employees under the jurisdiction of the Salary Stabilization Board and has increased solely through hiring, promotions, or transfers into the group, the employer may average the bonuses paid to the employees in the group in the base bonus year and add an amount not in excess of such average for each new employee in the group. The increase in the group is the difference between the current number of employees in the group and the number of employees in the group during the base period even though some of the employees in the group during the base period received no bonus.

Examples. (a) An employer had a group of 20 engineers who received bonuses totaling $5,000 in 1950 (the base year), and the average bonus paid to such employees was therefor $250. In 1951, at the time of the distribution of bonuses, the number of engineers has increased to 30 by the expansion of the group through the hiring of 10 new engineers. The employer may increase the bonus fund by ten times $250 or $2,500, bringing the total bonus fund to $7,500. The employer may distribute this total of $7,500 among his 30 engineers as he sees fit, subject to the limitations in the regulation as to past practice, etc. Within these limitations the employer need not distribute a bonus to the 10 new engineers even though their addition to the group has increased the bonus fund. However, the average bonus paid to the engineers must not exceed the amount of $250, which was the average of the bonuses paid to the engineers in the base period 1950.

(b) If the employer in 1950 had paid bonuses to only 15 out of the 20 engineers, he may not increase the bonus fund because he wants to give a bonus this year to the five engineers who did not participate last year, if there has been no increase in the group through hiring, promotion or transfer. However, the employer can distribute the bonus fund among all 20 employees by reducing the individual bonus of some or all of the 15 recipients of the 1950 bonus.

6.02 Q. How does the employer determine the average bonus which he must maintain when the group is increased?

A. The average bonus is determined by dividing the total bonus paid to the group by the number of employees who received a bonus. If the employer paid 20 engineers total bonuses aggregating $5,000 in the base year 1950, the average bonus is $250. Regardless of the amount that he may add when the group increases, the average of the bonuses paid in any subsequent calendar year may not exceed $250.

Assuming that in the example given in the answer to the preceding question, the group of engineers has increased in 1951 to 30 and the bonus fund has increased to $7,500, the employer, if he so desires, may pay three of the engineers bonuses of $500 (if this sum was not in excess of the highest single permissible bonus) provided bonuses to other engineers are reduced sufficiently so that the $250 average for the group of engineers is maintained.

6.03. Q. Under the employer's bonus plan all employees who earn $5,000 or more per annum are eligible for a bonus. A, whose salary in 1950 was $4,500, is promoted to a position in the engineering department paying $5,500. B, an employee in the department, receives a merit increase, which increases his salary from $4,800 to $5,100. Can the bonus fund for the engineering department be increased on account of A's promotion and B's salary increase?

A. Yes.

6.04 Q. An employer computes his bonus ceiling by taking an average of the total bonuses paid in the three years 1947, 1948 and 1949. In 1947, he had 25 engineers; in 1948, 30 engineers; and in 1949, 35 engineers. What is the size of the group on the basis of which he can determine whether the group has increased or decreased in 1951?

A. 30. The average size of the group for the three years forms the basis for the increase or decrease in the bonus fund.

SECTION 7

7.01 Q. An employer has distributed his bonus fund in such a manner that some employees have received very high bonuses and others very low ones. Can the disparity of total compensation thus created be used as a basis for an application to increase the salary or other compensation of the employees who received low bonuses?

A. No. The Bonus Regulation expressly provides that any inequities created by the distribution of bonuses shall not constitute a basis for a subsequent application for increasing salaries or other compensation.

SECTION 8

8.01 Q. A company has customarily paid bonuses on October 1. It now desires to pay bonuses on June 1, so that the employees may receive their bonuses before the usual summer vacations. May it do so?

A. No. Bonuses may not be accelerated in advance of the customary time of payment.

8.02 Q. An employer in the past has paid a bonus on November 1 of each calendar year. The employer contemplates going out of business on October 1, 1951. May the payment of the customary bonus be accelerated?

A. The payment of bonuses in this situation may not be accelerated.

8.03 Q. Under a profit-sharing plan, a bonus awarded in one year is paid in five annual installments. May the bonus now be paid in four instead of five annual installments?

A. No. Such a change would represent an acceleration in payment.

8.04 Q. Under a profit-sharing plan, a bonus award made in one year is payable in four annual installments and such installments are paid only if "earned out"—that is, subject to the condition, among others, that the employee continues in the company's employ. May the plan be amended to provide that the unpaid installments of the bonus award shall be paid to the employee if his employment is terminated before earning out such installments?

A. No. If the plan did not contain such a provision prior to January 25, 1951, the plan may not be so amended.

SECTION 9

9.01 Q. A company has annually paid discretionary bonuses to a group of its employees, the bonuses to each individual in the group having ranged from $1,000 to $5,000. In 1950 total bonuses to the group aggregated $100,000. May the salaries or other compensation of the group be increased by 10 percent of $100,000, or $10,000, pursuant to the provisions of General Salary Stabilization Regulation 1?

A. No. Bonuses paid under the Bonus Regulation are not considered "regularly paid bonuses" for the purpose of inclusion in salary levels under General Salary Stabilization Regulation 1.

9.02 Q. In 1949 a company paid aggregate bonuses of $100,000 to a group of its employees. In 1950, and subsequent to January 15, 1950, it paid aggregate bonuses of $125,000. Must the $25,000 increase in its bonuses paid in 1950 be charged against the 10 percent allowable for salary increases under General Salary Stabilization Regulation 1?

A. No. The Bonus Regulation provides that a bonus increase in 1950 need not be charged against the allowable 10 percent catch-up increase, as distinguished from a salary increase which has become a permanent part of the employee's rate of compensation. Upon the same reasoning, the bonus cannot be prorated back to the January 15, 1950 base salary level to provide an additional bonus or salary increase.

9.03 Q. The bonus ceiling of an employer based upon total bonuses paid in 1950 is $50,000. These bonuses were paid on December 31, 1950, to a group of five employees whose aggregate salaries amounted to $1,000 per week for the first regular payroll period ending on or after

January 15, 1950. The employees in the group have received no increases in salaries since January 15, 1950, and the number of employees in the group has remained constant. May the bonus ceiling of $50,000 be augmented by the 10 percent catch-up increase provided in General Salary Stabilization Regulation 1, and, if so, by how much?

A. The bonus ceiling of $50,000 may be increased by $5,200. This sum is computed by multiplying the aggregate weekly salaries of $1,000 by the number of weeks from the commencement of the bonus period, January 1, 1951, to the date of bonus distribution, December 31, 1951 (i. e. 52 weeks), and by taking 10 percent of that amount.

9.04 Q. Upon the facts stated in the example just given, the highest single bonus paid in 1950 was $12,000. What is the highest individual bonus that may be paid?

A. $17,200—that is, the $12,000 ceiling on individual bonuses, plus the entire amount ($5,200) available by reason of the increase of the bonus fund under General Salary Stabilization Regulation 1. The 10 percent allowance may in the discretion of the employer be distributed to only one individual in a group, subject to the condition that any inequity so created cannot be used as a basis for approval of other salary adjustments.

9.05 Q. If an employer uses the 10 percent catch-up increase for bonuses in 1951, may he use it again for bonuses thereafter?

A. Yes, unless he has granted a general 10 percent increase or otherwise used the permissible increase since December 31, 1951.

9.06 Q. An employer has a weekly base compensation payroll of $10,000 for employees subject to the jurisdiction of the Salary Stabilization Board. The authorized percentage increase under GSO 6[1] is 2 percent, as of December 1, 1951, the date of the employer's computation under GSO 6. What is the maximum amount available to the employer at that date for distribution of bonuses assuming the amount available for that purpose under the terms of GSO 6 as of December 1, 1951?

A. $200.00, if December 1, 1951, is the employer's customary date for distributing bonuses. If the employer's customary date of distribution is December 28, 1951, the payroll remaining constant, the employer may add $800.00 to the bonus fund and pay that amount by way of bonuses.

9.07 Q. If an employer uses the percentage increase authorized under General Salary Order 6 for the payment of bonuses in 1951, may he use the percentage increase to pay a bonus in a subsequent year?

A. No. If the percentage increase authorized under GSO 6 is once used for bonuses, it is charged off and cannot be used again.

SECTION 10

10.01 Q. What reports must an employer file who has paid bonuses pursuant to the Bonus Regulation?

A. Under the Bonus Regulation the employer must file a report if the bonus fund is increased pursuant to the provisions of section 6. This report must be filed with the Office of Salary Stabilization within 30 days after payment or allocation from the bonus fund has been made. If the bonus fund has been increased through use of section 8 of General Salary Stabilization Regulation 1, the report required by section 8 must also be filed.

10.02 Q. Must a copy of a contractual bonus or an established bonus plan be filed?

A. No. The only present exception is that provided by paragraph (e) of section 4 of General Salary Stabilization Regulation 1.

SECTION 11

11.01 Q. What is the purpose of section 11?

A. To make clear that permission granted by the Bonus Regulation to pay a particular bonus does not mean, for example, that the payment of the bonus could not be challenged as a waste of corporate assets in an action by stockholders. Obviously, the Salary Stabilization Board, in issuing its salary stabilization regulations, is making no determination with respect to the validity or propriety of payments under laws other than those relating to salary stabilization.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110. Executive Order 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.)

Issued by the Office of Salary Stabilization on December 7, 1951.

JOSEPH D. COOPER,
Executive Director.

[F. R. Doc. 51-14844; Filed, Dec. 11, 1951; 11:54 a. m.]

Subchapter B—Wage Stabilization Board

[General Wage Regulation No. 18]

GWR 18—INTRA-PLANT INEQUITIES

Pursuant to the Defense Production Act of 1950 (64 Stat. 816, as amended by Pub. Law 96, 82nd Cong.); Executive Order 10161 (15 F. R. 6105), Executive Order 10233 (16 F. R. 3503), and General Order No. 3, Economic Stabilization Administrator (16 F. R. 739), this General Wage Regulation No. 18 is hereby issued.

STATEMENT OF CONSIDERATIONS

Intra-plant wage rate inequities are a major source of industrial unrest and grievances. Sound programs designed to correct such inequities can contribute to increased production and improved morale. Section 402 (c) of the Defense Production Act requires that a program of wage stabilization be administered so as to prevent or correct hardships or inequities. The Wage Stabilization Board has, therefore, adopted an intra-plant inequities policy. This policy requires prior Board approval of proposals to correct intra-plant inequities, whether accomplished through comprehensive job-rate review or through individual job-rate adjustments. The policy permits the correction of intra-plant inequities only; wage adjustments authorized under this regulation may not be used as a substitute for general wage rate increases. Petitions for approval of proposals to correct intra-plant inequities must be submitted to the Wage Stabilization Board, and this regulation sets forth the criteria which the Board will use in considering such petitions.

In the formulation of this policy and this regulation, the Board has given due consideration to the standards and procedures set forth in Title IV and Title VII of the Defense Production Act as amended, and has obtained the approval of the Economic Stabilization Administrator.

REGULATORY PROVISIONS

Sec.
1. Action upon petitions to eliminate intra-plant inequities.
2. Petitions involving comprehensive job-rate review.
3. Petitions involving individual job-rate adjustments.

AUTHORITY: Sections 1 to 3 issued under Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2101–2110; E. O. 10161, 15 F. R. 6105; 3 CFR, 1950 Supp.; E. O. 10233, 16 F. R. 3503.

SECTION 1. *Action upon petitions to eliminate intra-plant inequities.* The National Wage Stabilization Board and the Regional Wage Stabilization Boards will act upon petitions to eliminate intra-plant inequities through comprehensive job-rate review or through individual job-rate adjustments.

SEC. 2. *Petitions involving comprehensive job-rate review.* (a) In administering this regulation, the National Board and the Regional Boards, with delegation to their staffs of the authority to approve petitions in appropriate cases, will rule on intra-plant inequity petitions involving comprehensive job-rate review in accordance with the following criteria:

(1) The petition need not propose any particular method of job-rate realignment but must propose a systematic or orderly method of realigning wage rates so as to correct inequities within a particular wage-rate structure. The institution of a bona fide job realignment program shall be based upon (i) a system for classifying, grading, ranking or rating jobs; or (ii) job and rate relationships established in accordance with historical practice in an industry; or (iii) through collective bargaining.

(2) For purposes of determining the job-rate relationships, several key jobs or anchor-point jobs, each representing different levels of skill and covering, in total, a substantial number of employees, shall be selected from the existing rate structure. Such key jobs or anchor-point jobs shall include the lowest and highest job skills in which a significant number of employees are grouped.

(3) The increase in job rates, or classifications of job rates (exclusive of "red circle" rates) over the decrease in such job rates for the unit involved in the job-rate review as a whole shall be determined as follows:

[1] Effective January 1, 1952, GSSR 1 Revised, Section 4.1.

(i) For single rate structures, the difference between the weighted average of current job rates or classifications of job rates, and the weighted average of the proposed job rates shall not exceed one percent (1%) of the weighted average of current job rates or classifications of job rates.

(ii) For rate range structures:

(*a*) For job reclassifications without change in existing rate ranges, the difference between the weighted average of the curret job rates, or classifications of job rates, and the weighted average after such reclassification shall not exceed one percent (1%) of the weighted average of current job rates or classifications of job rates.

(*b*) For revised rate range structures, the difference between the weighted average of the mid-points of the current job classifications and the weighted average of the mid-points of the proposed job classifications, shall not exceed one percent (1%) of the weighted average of the mid-points of the current job classifications.

(4) The immediate increase in average straight-time hourly rates shall not exceed three percent (3%) of such average rates.

(5) When particular job rates are determined under a comprehensive review, individuals currently in such jobs, but receiving a higher rate than the job-rate, may retain such "personalized" or "red circle" rates.

(6) The establishment of rate ranges for jobs shall normally be limited to ranges the maximum of which shall not exceed, on the average, 25 percent (25%) above the minimum. In working out this average, the minimum spread normally may not be less than 15 percent (15%) and the maximum spread normally may not exceed 35 percent (35%).

(b) Plans which exceed the above limits may be submitted for approval in order to accomplish necessary extension of skill differentials, or to correct unduly compressed wage structures, dislocations between incentive and hourly-rated jobs, extreme internal wage distortions, or similar situations. Such petitions will be considered by the National Board or Regional Board, as the case may be.

(c) Petitions involving changes from single rates to rate ranges, from random rates to single rates or rate ranges, or other changes in rate structures, will be considered by the National or Regional Board, as the case may be.

SEC. 3. *Petitions involving individual job-rate adjustments.* (a) In administering this Regulation, the National Board and the Regional Boards, with delegation to their staffs of the authority to approve petitions in appropriate cases, will rule on intra-plant inequity petitions involving individual job-rate adjustments in accordance with the following criteria:

(1) It is demonstrated that the adjustments will produce a more orderly relationship between jobs of comparable skill and responsibility.

(2) The adjustments conform to the following limitations:

(i) The adjustment does not affect more than 30 percent (30%) of the employees in the plant or unit, does not increase average straight-time hourly rates in such plant or unit by more than one percent (1%), and does not result in an increase for any employee of more than 15 cents an hour.

(ii) The petitioner(s) is notified that the Board's approval shall not be used as a basis for future claims of intra-plant inequities resulting from such Board action.

(b) Requests for approval of plans involving individual job-rate adjustments which exceed the limits in paragraph (a) of this section, will be considered by the National Board or Regional Board, as the case may be.

Adopted unanimously on December 5, 1951.

NATHAN P. FEINSINGER,
Chairman.

[F. R. Doc. 51-14843; Filed, Dec. 11, 1951; 11:53 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-1, Dir. 3, Amdt. 1]

M-1—IRON AND STEEL

DIR. 3—ORDER ACCEPTANCE; SET-ASIDE CANCELLATION

This amendment to NPA Order M-1, Direction 3, as amended November 1, 1951, is found necessary and appropriate to promote the national defense and is issued under the authority granted by the Defense Production Act of 1950, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Section 2 (a) of Direction 3 is hereby amended by deleting the word "or" from the thirteenth line of the last sentence and inserting after the letter "E" appearing in the thirteenth line the phrase "or Z-2," so that the last sentence of section 2 (a) shall read as follows: "However, with respect to authorized controlled material orders, each steel producer shall have the option (subject to the provisions of paragraph (b) of this section) of determining which authorized controlled material orders or portions thereof he will accept and schedule for delivery without regard to dates of receipt of such orders: *Provided, however,* That no steel producer shall reject any authorized controlled material orders bearing allotment symbols A, B, C, E, or Z-2 unless his order books for a particular product are filled for that product for a particular month."

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154).

This amendment shall take effect December 11, 1951.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 51-14829; Filed, Dec. 11, 1951; 11:32 a. m.]

[NPA Order M-11, Dir. 2, Amdt. 1]

M-11—COPPER AND COPPER-BASE ALLOYS

DIR. 2—ORDER ACCEPTANCE

This amendment to NPA Order M-11, Direction 2, as amended November 2, 1951, is found necessary and appropriate to promote the national defense and is issued under the authority granted by the Defense Production Act of 1950, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Section 2 (a) of Direction 2 is hereby amended by deleting the word "or" from the fifteenth and twenty-second lines of the last sentence and inserting after the letter "E" appearing in the fifteenth and twenty-second lines thereof the phrase "or Z-2," so that the last sentence of section 2 (a) shall read as follows: "However, with respect to authorized controlled material orders, each copper controlled material producer shall have the option (subject to the provisions of paragraph (b) of this section) of determining which authorized controlled material orders or portions thereof he will accept and schedule for delivery without regard to dates of receipt of such orders: *Provided, however,* That to the extent that a copper controlled material producer is required to fill authorized controlled material orders bearing allotment symbols A, B, C, E, or Z-2 out of his authorized production of the product involved, or out of his scheduled production thereof if no production is specifically authorized, no copper controlled material producer shall reject any authorized controlled material orders bearing allotment symbols A, B, C, E, or Z-2 unless his order books for a particular product involved are filled for that product for a particular month."

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This amendment shall take effect December 11, 1951.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 51-14832; Filed, Dec. 11, 1951; 11:33 a. m.]

[NPA Order M-5, Dir. 1, Amdt. 1]

M-5—RATED ORDERS FOR ALUMINUM

DIR. 1—ORDER ACCEPTANCE

This amendment to NPA Order M-5, Direction 1, as amended September 5, 1951, is found necessary and appropriate to promote the national defense and is issued under the authority granted by the Defense Production Act of 1950, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Section 2 of Direction 1 is hereby amended by deleting the word "or" from the eighteenth line of the first sentence

and inserting after the letter "E" appearing in the eighteenth line the phrase "or Z–2" so that the first sentence of section 2 shall read as follows:

SEC. 2. *Acceptance of orders.* Until 60 days prior to the first day of the month in which delivery is requested, an aluminum controlled material producer shall have the option of determining which authorized controlled material orders or portions thereof he will accept and schedule without regard to dates of receipt of such orders: *Provided*, That the total of the orders accepted does not exceed 85 percent of his production directive covering the product involved for that month, or his proposed production thereof if no production directive has been issued: *And provided further*, That there shall be included in such 85 percent, (a) all orders bearing allotment symbols A, B, C, E, or Z–2 which have been offered to him, and (b) all NPA directives received by him, including shipments to distributors, independent fabricators, and smelters pursuant to such directives. * * *

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This amendment shall take effect December 11, 1951.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 51–14830; Filed, Dec. 11, 1951; 11:33 a. m.]

[NPA Order M–92]

M–92—AUTOMOBILE WRECKERS

This order is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by sections 101 and 102 of the Defense Production Act of 1950, as amended. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendation.

Ferrous and nonferrous scrap is in very short supply. Failure to have available adequate quantities of such scrap is seriously interfering with the defense effort. Both ferrous and nonferrous scrap have been declared scarce materials by NPA Notice 1 pursuant to section 102 of the Defense Production Act, and the hoarding of those scarce materials is prohibited and is subject to criminal penalties. Large quantities of scrap have accumulated in the inventory of automobile wreckers and in automobile graveyards in the form of unusable motor vehicles.

Sec.

AUTHORITY: Sections 1 to 9 issued under sec. 704, 64 Stat. 816, Pub. Law. 96, 82nd Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply secs. 101, 102, 64 Stat. 799, Pub. Law 96, 82nd Cong.; 50 U. S. C. App. Sup. 2071; secs. 101, 102, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61; secs. 402, 405, E. O. 10281, Aug. 28, 1951, 16 F. R. 8789.

SECTION 1. *What this order does.* This order requires an inventory report from automobile wreckers by December 20, 1951, covering the number of motor vehicle and car-units and the poundage of loose scrap. The order also limits automobile wreckers in their acceptance of delivery of motor vehicles or car-units. It requires quarterly turnover of motor vehicles manufactured prior to 1946, and car-units. It also requires automobile wreckers to comply with NPA allocation directives at any time.

SEC. 2. *Definitions.* As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons, and includes agencies of the United States Government or of any other government.

(b) "Automobile wrecker" means a person who is in the business of acquiring motor vehicles for the purpose of salvaging serviceable used parts or reclaiming the residue as scrap, and selling such parts or scrap.

(c) "Scrap" means all recoverable ferrous and nonferrous metals, either alloyed or unalloyed, which are not salvageable parts.

(d) "Loose scrap" means nonsalvageable sections and parts which have been removed from, or have been produced by dismantling, a motor vehicle. This includes secondary ferrous and nonferrous metal in a form that requires preparation for consumption by scrap consumers.

(e) "Scrap consumer" means an ingot maker, smelter, refiner, foundry, or steel mill.

(f) "Scrap dealer" means any person who is regularly engaged in the business of buying, segregating, and preparing scrap for resale to scrap consumers or other scrap dealers.

(g) "Motor vehicle" means any passenger car or portion thereof; or any motor truck or portion thereof up to and including 1½ tons capacity or 16,000 pounds gross vehicle weight; or any passenger carrier, powered with an internal combustion engine; or any full trailer, semi-trailer, or third axle attachment.

(h) "Car-unit" means (1) any motor vehicle, regardless of model date, which has been stripped of salvageable parts, or (2) 1,500 pounds of loose scrap.

(i) "NPA" means the National Production Authority.

SEC. 3. *Initial inventory report.* (a) On or before December 20, 1951, each automobile wrecker shall file an initial letter inventory report with NPA directed to the nearest Department of Commerce–NPA field office having jurisdiction, Ref: M–92, stating, separately, the number of motor vehicles and car-units and the poundage of loose scrap, as defined in section 2 of this order, which he had in inventory on December 1, 1951. This report shall also separately state the number of such motor vehicles manufactured prior to 1946 which were in his inventory on said date.

(b) Any person who, after the effective date of this order, enters into business as an automobile wrecker shall, on or before the fifteenth day of the first calendar month immediately following the month of his entry into such business, file an initial letter inventory report directed to the nearest Department of Commerce–NPA field office having jurisdiction, Ref: M–92, stating, separately, the number of motor vehicles and car-units and the poundage of loose scrap, as defined in section 2 of this order, which he had in inventory as of the first day of the first calendar month immediately following the month of his entry into such business. This report shall also separately state the number of such motor vehicles manufactured prior to 1946, which were in his inventory at that time.

SEC. 4. *Limitations on acceptance of motor vehicles and car-units.* During the 3-month periods beginning March 1, 1952, and the first day of each June, September, December, and March thereafter, no automobile wrecker shall accept delivery of any motor vehicle or car-unit unless during the 3-month period immediately preceding each such date he has disposed of, to scrap dealers or scrap consumers, a number of motor vehicles and car-units at least equal to the sum of all motor vehicles manufactured prior to 1946 and all car-units, which were in his inventory on the first day of such preceding 3-month period.

SEC. 5. *Allocation directives.* NPA may from time to time issue directives allocating motor vehicles manufactured prior to 1946, car-units, or loose scrap, which are in the inventory of any automobile wrecker, and may specifically direct the manner and quantities in which disposals, conversions, or deliveries to particular scrap dealers or scrap consumers shall be made. Such directives shall be complied with by the recipients thereof.

SEC. 6. *Request for adjustment or exception.* Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that such provision works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. In examining requests for adjustment or exception claiming that the public interest is prejudiced by the application of any provision of this order, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing, by letter in triplicate, and shall set forth all pertinent facts, the nature of the relief sought, and the justification therefor. Requests for adjustments or exceptions shall be addressed

to the National Production Authority, Washington 25, D. C., Ref. M–92.

SEC. 7. *Records and reports.* (a) Each person participating in any transaction covered by this order shall make and preserve, for at least 3 years thereafter, accurate and complete records of receipts, deliveries, inventories, production, and use, in sufficient detail to permit the determination, after audit, whether each transaction complies with the provisions of this order. This order does not specify any particular accounting method and does not require alteration of the system of records customarily used, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals by those persons who, at the time such microfilm or other photographic records are made, maintain such copies of records in the regular and usual course of business.

(b) All records required by this order shall be made available for inspection and audit by duly authorized representatives of the National Production Authority, at the usual place of business where maintained.

(c) Persons subject to this order shall make such records and submit such other reports to the National Production Authority as it shall require, subject to the terms of the Federal Reports Act of 1942 (5 U. S. C. 139–139F).

SEC. 8. *Communications.* All communications concerning this order shall be addressed to the National Production Authority, Washington 25, D. C., Ref: NPA Order M–92.

SEC. 9. *Violations.* Any person who willfully violates any provision of this order, or any other order or regulation of NPA, or who willfully furnishes false information or conceals any material fact in the course of operation under this order, is guilty of a crime and upon conviction may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall take effect December 11, 1951.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 51–14833; Filed, Dec. 11, 1951; 11:33 a. m.]

[NPA Reg. 2, Amdt. 1]

REG. 2—BASIC RULES OF THE PRIORITIES SYSTEM

This amendment to NPA Reg. 2, as amended September 13, 1951, is found necessary and appropriate to promote the national defense and is issued under the authority granted by the Defense Production Act of 1950, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable due to the need for immediate action.

Section 15 (d) of NPA Reg. 2 is hereby amended by inserting after the comma appearing in the eighth line thereof the words "or the program identification Z–2," and in the ninth line substituting the word "program" for "letter", so that paragraph (d) of section 15 shall read as follows:

(d) If a person finds that he cannot fill on schedule all DO rated orders which he has accepted and scheduled for delivery, he must give precedence over any other DO rated order to any DO rated order which bears a program identification consisting of the letter A, B, C, or E, followed by a digit, or the program identification Z–2, unless the person who placed such order having such program identification otherwise consents in writing.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This amendment shall take effect December 11, 1951.

NATIONAL PRODUCTION AUTHORITY,
By JOHN B. OLVERSON,
Recording Secretary.

[F. R. Doc. 51–14834; Filed, Dec. 11, 1951; 11:33 a. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 3, Amdt. 16 to Schedule A]

RR 3—HOTEL REGULATION

SCHED. A—DEFENSE RENTAL AREA

IDAHO

Amendment 16 to Schedule A of Rent Regulation 3—Hotel Regulation. Said regulation is amended in the following respect:

New Item 80a is hereby added to Schedule A as follows:

Name of defense-rental area	State	County or counties in defense-rental area under Rent Reg. 3	Maximum rent date	Effective date of regulation
(80a) Mountain Home..	Idaho.....	In Elmore County, Mountain Home precincts 1 and 2.	May 1, 1951	Dec. 12, 1951

This amendment is issued as a result of a joint certification pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (1) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

This amendment shall be effective December 12, 1951.

Issued this 7th day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 51–14726; Filed, Dec. 11, 1951; 8:56 a. m.]

Chapter XXII—Small Defense Plants Administration

[Procedural Regulation 1]

PR 1—PROCEDURE FOR APPLYING FOR LOAN RECOMMENDATION UNDER SECTION 714 OF THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Pursuant to section 714 of the Defense Production Act of 1950, as amended, the following Procedural Regulation 1 is hereby issued by the Administrator of Small Defense Plants Administration.

Sec.
1. Statement of purpose.
2. Loans which may be recommended.
3. Terms, conditions, and maturities determined by RFC.
4. Certification and agreement by applicant.
5. Application form.
6. Place of filing application.
7. Criteria for determining eligibility.

AUTHORITY: Sections 1 to 7 issued under sec. 110, Pub. Law 96, 82d Cong.

Section 1. *Statement of purpose.* Under section 714 (b) (1) (A) of the Defense Production Act of 1950, as amended by section 110 of Pub. Law 96, 82d Cong., (the act as amended being hereinafter referred to as the "act") the Small Defense Plants Administration (hereinafter referred to as the "Administration") is impowered to recommend to the Reconstruction Finance Corporation (hereinafter referred to as the "RFC") loans to small-business concerns for the purposes therein provided. This regulation sets forth what loans may be recommended and establishes the procedure for making application for loan recommendations under the aforesaid section.

SEC. 2. *Loans which may be recommended.* Section 714 (b) (1) (A) of the act provides that the Administration is empowered to recommend loans or advances for the following purposes: "* * * to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to finance research, development, and experimental work on new or improved products or processes; or to supply such concerns with capital to be used in the manufacture of articles, equipment, supplies, or materials for defense or essential civilian purposes; or to establish and operate technical laboratories to serve small-business concern * * *".

SEC. 3. *Terms, conditions, and maturities, determined by RFC.* Section 714 (i) of the act authorizes the RFC to make loans and advances upon the rec-

ommendation of the Administration, not to exceed an aggregate of $100,000,000 outstanding at any one time, on such terms and conditions and with such maturities as the RFC may determine.

SEC. 4. *Certification and agreement by applicant.* Section 714 (k) of the act provides that no loan shall be recommended by the Administration unless the applicant shall "* * * (1) certify to the Administration the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Administration for assistance of any sort, and the fees paid or to be paid to any such persons, and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Administration to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee of the Administration occupying a position or engaging in activities which the Administration shall have determined involve discretion with respect to the granting of assistance under this section."

SEC. 5. *Application form.* Application for a loan recommendation shall be made upon the standard form prescribed by the Administration and shall be executed in the manner and by the person prescribed by the form. Such form may be obtained from the Small Defense Plants Administration, Washington 25, D. C. or from any Agency Office of the RFC. This form contains the certification and agreement required by section 4 of this regulation.

SEC. 6. *Place of filing application.* Application for a loan shall be made upon the standard form prescribed by the RFC and shall be filed at the RFC Loan Agency serving the territory in which the applicant's principal place of business is located. The application for a loan recommendation as provided by section 5 of this regulation shall be filed at the same RFC Loan Agency as the loan application and will be forwarded to the Administration by the RFC for its consideration.

SEC. 7. *Criteria for determining eligibility.* In determining whether an applicant is eligible as a "small-business concern" for a loan recommendation by the Administration, the following criteria specified in section 714 (a) of the act will be considered: (a) Independency of ownership and operation, (b) number of employees, (c) dollar volume of business, and (d) non-dominance in its field of operation.

Effective date. This regulation shall become effective on the day of its publication in the FEDERAL REGISTER.

TELFORD TAYLOR,
Administrator.

DECEMBER 10, 1951.

[F. R. Doc. 51-14825; Filed, Dec. 11, 1951; 10:29 a. m.]

TITLE 44—PUBLIC PROPERTY AND WORKS

Chapter I—General Services Administration

Subchapter B—Personal Property Management

PART 97—DESIGNATION OF DISPOSAL AGENCIES AND PROCEDURES FOR REPORTING SURPLUS PROPERTY LOCATED WITHIN THE CONTINENTAL UNITED STATES, ITS TERRITORIES AND POSSESSIONS

PART 98—SURPLUS PERSONAL PROPERTY

PART 99—STOCK PILING OF STRATEGIC AND CRITICAL MATERIALS

RESCISSION

Parts 97, 98, and 99, set forth in 44 CFR, 1950 Supp., are rescinded in their entirety.

(Sec. 205, 63 Stat. 389, sec. 6, 60 Stat. 598; 41 U. S. C., Supp., 235, 50 U. S. C. 98e)

[DERIVATION: Emer. Proc. Reg. 1 and GSA Circ. 27]

Dated: December 7, 1951.

JESS LARSON,
Administrator.

[F. R. Doc. 51-14790; Filed, Dec. 11, 1951; 9:01 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter V—War Claims Commission

Subchapter B—Receipt, Adjudication and Payment of Claims

PART 506—PROVISIONS OF GENERAL APPLICATION

PARENT; NATURAL GUARDIAN

1. Section 506.3 (d) (14 F. R. 7844; 16 F. R. 644) is hereby amended to read as follows:

§ 506.3 *Definitions.* * * *

(d) *Parent.* (1) A "parent" is the natural or adoptive father or mother of a deceased prisoner of war, or any person standing in loco parentis to a deceased prisoner of war for a period of not less than one year immediately preceding the date of his entry into active service and during at least one year of his minority. Not more than one mother and/or father as defined shall be recognized in any case. A person will not be recognized as standing in loco parentis if the natural parents or adoptive parents are living, unless there is affirmative evidence of abandonment and renunciation of parental duties and obligations by the natural or adoptive parent or parents prior to entry into active service by the deceased prisoner of war.

An award in the full amount allowable had the deceased prisoner of war survived may be made to only one parent when it is shown that the other parent has denied or if there is affirmative evidence of abandonment and renunciation of parental duties and obligations by the other parent.

(2) The father of an illegitimate child will not be recognized as such for purposes of the act unless evidence establishes that (i) he has legitimated the child by subsequent marriage with the mother; (ii) recognized the child as his by written admission prior to enlistment of the deceased in the armed forces; (iii) or prior to death of the child he has been declared by decree of a court of competent jurisdiction to be the father.

The foregoing amended regulation shall be effective from and after the date of publication.

2. Section 506.3 (14 F. R. 7844; 16 F. R. 644) is further amended by adding the following:

(f) *Natural guardian.* The father and mother shall be deemed to be the natural guardians of the person of their minor children. If either dies or is incapable of acting, the natural guardianship of the person shall devolve upon the other. In the event of death or incapacity of both parents then such blood relative, paternal or maternal, standing in loco parentis to the minor shall be deemed the natural guardian.

(Sec. 2, 62 Stat. 1240; 50 U. S. C. App. Sup. 2001)

DANIEL F. CLEARY,
Chairman, War Claims Commission.

[F. R. Doc. 51-14706; Filed, Dec. 11, 1951; 8:51 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 9909]

PART 3—RADIO BROADCAST SERVICES

MAINTAINING AND RETAINING BROADCAST STATION LOGS

This proceeding was instituted on February 28, 1951, by the issuance of a notice of proposed rule making (FCC Mimeo No. 59579), which proposed that Part 3 of the Commission's rules and regulations be amended by the addition of the words, "or permittee" after the word "licensee" when used in §§ 3.181, 3.182, 3.281, 3.282, 3.581, 3.582, 3.681, 3.682, 3.781, and 3.782.

The addition of the words "or permittee" to the above sections is designed to make the provisions concerning the maintaining and retaining of broadcast station logs by standard, FM, non-commercial educational FM, television and international broadcast stations applicable to permittees as well as licensees.

No comments concerning the proposal in the notice of proposed rule making herein were filed.

In view of the foregoing: *it is ordered,* That effective January 21, 1952, §§ 3.181, 3.182, 3.281, 3.282, 3.581, 3.582, 3.681, 3.682, 3.781, and 3.782 of the Commission's rules are amended by adding after the word "licensee" when used in any of those sections the words "or permittee".

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U. S. C. 303)

Adopted: December 5, 1951.

Released: December 6, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-14707; Filed, Dec. 11, 1951; 8:51 a. m.]

[Docket No. 10022]

PART 9—AERONAUTICAL SERVICES

TRANSMISSION OF ORDERS TO AIRCRAFT FLIGHT TEST STATIONS

At the session of the Federal Communications Commission held in its offices in Washington, D. C., on the 5th day of December 1951;

The Commission having under consideration the above-captioned matter:

It appearing, that in accordance with the requirements of the Administrative Procedure Act, a notice of proposed rule making was duly published in the FEDERAL REGISTER (page 7998), on August 14, 1951, which notice proposed to amend § 9.616 in order to enable the licensees of flight test stations to comply with its provisions by furnishing airdrome control operators either with a remote microphone connection or with other adequate direct communication facilities for the transmission of orders to aircraft flight test stations; and

It further appearing, that on October 4, 1951, a further notice of proposed rule making was published in the FEDERAL REGISTER (page 10133) proposing to delete the above section in lieu of the original proposal; and

It further appearing, that the period in which interested persons were afforded an opportunity to submit comments expired and all comments have been considered; and

It further appearing, that this amendment relieves an existing restriction by abolishing the requirement of §9.616 of the rules and therefore may be made effective immediately; and

It further appearing, that the public interest, convenience and necessity will be served by this amendment, the authority for which is contained in sections 4 (i), 303 (b), (f) and (r) of the Communications Act of 1934, as amended;

It is ordered, That effective immediately, § 9.616 of the Commisson's rules governing aeronautical services is deleted.

(Sec. 4, 48 Stat. 1066, as amended; 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U. S. C. 303)

Released: December 6, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-14709; Filed, Dec. 11, 1951; 8:52 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 950]

PEACHES GROWN IN UTAH

EXPENSES FOR 1951-52 FISCAL YEAR

Consideration is being given to the following proposal which was submitted by the Administrative Committee, established under the marketing agreement and Order No. 50 (7 CFR Part 950), regulating the handling of peaches grown in Utah, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, as the agency to administer the terms and provisions thereof:

(a) That the Secretary of Agriculture find that the actual expenses necessarily incurred by the said committee for its maintenance and functioning under the aforesaid marketing agreement and order, during the fiscal period beginning May 1, 1951, and ending April 30, 1952, both dates inclusive, amounted to $3,714.17.

All persons who desire to submit written data, views, or arguments for consideration in connection with the aforesaid proposal may do so by mailing the same to the Director, Fruit and Vegetable Branch, Production and Marketing Administration, Room 2077, South Building, Washington 25, D. C., not later than the 5th day after the publication of this notice in the FEDERAL REGISTER.

Terms used in the marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Issued this 7th day of December 1951.

[SEAL] S. R. SMITH,
Director,
Fruit and Vegetable Branch.

[F. R. Doc. 51-14690; Filed, Dec. 11, 1951; 8:48 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 2]

[Docket No. 10095]

CLASS B FM BROADCAST STATIONS

AMENDMENT OF REVISED TENTATIVE ALLOCATION PLAN

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. It is proposed to amend the Revised Tentative Allocation Plan for Class B FM Broadcast Stations as follows:

	Channels	
General area:	*Delete*	*Add*
Orangeburg, S. C.	-----	274
Florence, S. C.	274	----

3. The purpose of the proposed amendment is to allocate Channel No. 274 to Orangeburg, South Carolina, thereby facilitating consideration of a pending application for a new FM broadcast station in Orangeburg.

4. Authority for the adoption of the proposed amendment is contained in sections 4 (i), 301, 303 (c), (d), (f), and (r), and 307 (b) of the Communications Act of 1934, as amended.

5. Any interested party who is of the opinion that the proposed amendment should not be adopted or should not be adopted in the form set forth herein may file with the Commission on or before January 15, 1951, a written statement or brief setting forth his comments. Comments in support of the proposed amendment may also be filed on or before the same date. Comments or briefs in reply to the original comments may be filed within 10 days from the last day for filing said original comments or briefs. The Commission will consider all such comments that are submitted before taking action in this matter, and if any comments appear to warrant the holding of a hearing or oral argument, notice of the time and place of such hearing or oral argument will be given.

6. In accordance with the provisions of § 1.784 of the Commission rules and regulations, an original and 14 copies of all statements, briefs, or comments shall be furnished the Commission.

Adopted: December 5, 1951.

Released: December 6, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-14708; Filed, Dec. 11, 1951; 8:51 a. m.]

[47 CFR Part 12]

[Docket No. 10098]

AMATEUR RADIO SERVICE

AMATEUR EXTRA CLASS

1. Notice is hereby given of proposed rule-making in the above-entitled matter.

2. By its report and order released January 31, 1951, in Docket proceedings 9295, the Commission amended Part 12, Amateur Radio Service, among other things, to provide for a new class of amateur operator license called the Amateur Extra Class. This class of license was intended only for persons who demon-

strate a high degree of ability in the field of amateur radio operation, evidenced by passing a prescribed examination, and such licenses will become available to such qualified persons beginning January 1, 1952. Since the mentioned report and order was released it has come to the attention of the Commission that certain amateurs, who by reason of long experience are considered outstanding pioneers in the field of amateur radio, can be considered qualified for the Amateur Extra Class of license by reason of such long experience, without additional examination. Accordingly, it is proposed to amend Part 12 to provide that the Amateur Extra Class of license may be issued to any person who qualifies for or currently holds a valid amateur operator license of the General or Advanced Class and who can show that he held a valid amateur operator or station license during or before April 1917. The proposed amendments are set forth below.

3. The proposed amendment is issued under the authority of sections 4 (i) and 303 (l) and (r) of the Communications Act of 1934, as amended.

4. Any interested person who is of the opinion that the amendments should not be adopted, or should not be adopted in the form set forth, may file with the Commission on or before December 21, 1951, a written statement setting forth his comments. At the same time any person who favors the amendment as set forth may file a statement in support thereof. Comments or briefs in reply to the original comments or briefs may be filed within five days from the last day for filing the said original comments or briefs. The Commission will consider all such comments, briefs, and statements before taking final action. If any comments are received which appear to warrant the Commission in holding an oral argument before final action is taken, notice of the time and place of such oral argument will be given such interested parties.

5. In accordance with the provisions of § 1.764 of the Commission's rules, an original and 3 copies of all statements, briefs, or comments shall be furnished the Commission.

Adopted: December 7, 1951.

Released: December 7, 1951.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

1. Amend paragraph (a) of § 12.21 to read as follows:

(a) *Amateur Extra Class.* Any citizen of the United States who either (1) at any time prior to receipt of his application by the Commission has held for a period of two years or more a valid amateur operator license issued by the Federal Communications Commission, excluding licenses of the Novice and Technician Classes, or (2) submits evidence of having held a valid amateur radio station or operator license issued by any agency of the United States Government during or prior to April, 1917.

2. Amend § 12.46 by re-designating the present paragraph (d) as paragraph (e) and inserting the following new paragraph:

(d) An applicant for Amateur Extra Class operator license will be given credit for examination elements 1 (C) and 4 (B) if he so requests and submits evidence of having held a valid amateur radio station or operator license issued by any agency of the United States Government during or prior to April, 1917.

[F. R. Doc. 51-14711; Filed, Dec. 11, 1951; 8:52 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

HEARING TO DETERMINE LEVEL OF PRICE SUPPORT FOR CERTAIN VARIETIES OF AMERICAN-EGYPTIAN COTTON

DESIGNATION OF PRESIDING OFFICER

In re: Hearing to determine the required level of price support for 1952-Crop Amsak and Pima 32 varieties of American-Egyptian cotton to be held at Phoenix, Arizona, on December 14, 1951.

Pursuant to section 402 of the Agricultural Act of 1949 (Public Law 439, 81st Congress) and pursuant to the authority vested in me by the Acting Secretary of Agriculture by notice dated December 4, 1951, the undersigned hereby designates Edward M. Shulman, Office of the Solicitor, United States Department of Agriculture, to act as presiding officer in this proceeding.

Issued this 6th day of December 1951.

[SEAL] LIONEL C. HOLM,
Acting Administrator, Production and Marketing Administration.

[F. R. Doc. 51-14691; Filed, Dec. 11, 1951; 8:48 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1068, as amended; 29 U. S. C. and Sup. 214), and Part 522 of the regulations issued thereunder (29 CFR Part 522), special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates applicable under section 6 of the act have been issued to the firms listed below. The employment of learners under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 522. The effective and expiration dates, occupations, wage rates, number or proportion of learners, and learning period for certificates issued under the general learner regulations (§§ 522.1 to 522.14) are as indicated below; conditions provided in certificates issued under special industry regulations are as established in these regulations.

Single Pants, Shirts and Allied Garments, Women's Apparel, Sportswear, Rainwear and Other Odd Outerwear, Robes and Leather and Sheep-Lined Garments Divisions of the Apparel Industry Learner Regulations (29 CFR 522.160 to 522.166, as amended September 25, 1950; 15 F. R. 5701; 6326).

Allendale Garment Co., Allendale, S. C., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (cotton wash dresses).

Appomattox Garment Co., Inc., Appomattox, Va., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (children's clothing).

Bel Air Manufacturing Co., Bel Air, Md., effective 11-28-51 to 11-27-52; 10 learners (single pants, raincoats).

Bellcraft Manufacturing Co., Depot Street, Hartwell, Ga., effective 12-5-51 to 12-4-52; 10 percent of the productive factory force or 10 learners, whichever is greater (men's and boys' sport shirts).

Fairview Fashions, Portland Street, St. Johnsbury, Vt., effective 11-29-51 to 11-28-52; five learners (dresses).

Forest City Manufacturing Co., Collinsville, Ill., effective 12-5-51 to 12-4-52; 10 percent of the productive factory force (juniors' and women's dresses).

Florence Manufacturing Co., Inc., Florence, S. C., effective 11-28-51 to 11-27-52; 10 percent of the productive factory force (ladies' cotton house dresses).

Hartwell Garment Co., Hartwell, Ga., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (men's and boys' cotton work pants and shirts).

Hebron Pants Factory, Hebron, Md., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (cotton work pants).

Highland Sportswear Co., Inc., 1002 Walnut Street, Allentown, Pa., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (men's and boys' sport shirts).

Hilb Manufacturing Co., 1731 Arapahoe Street, Denver, Colo., effective 12-5-51 to 12-4-52; 10 learners; learners not to be engaged at subminimum wage rates in the manufacture of skirts (slack suits, etc.).

Hollywood Sportogs, 1901 First Street, San Fernando, Calif., effective 12-3-51 to 12-2-52; 10 learners (sport shirts).

Industrial Garment Manufacturing Co., Caroline Street, Erwin, Tenn., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (men's cotton work clothes).

Morehead City Garment Co., Inc., 1504 Bridges Street, Morehead City, N. C., effective 12-6-51 to 12-5-52; 10 percent of the productive factory force (sport and dress shirts).

New Florence Overall Factory, New Florence, Pa., effective 11-28-51 to 11-27-52; four learners (men's and boys' overalls).

The Newton Co., Newton, Miss., effective 11-29-51 to 5-28-52; 44 learners (ladies' and men's slacks, men's work pants).

Wm. H. Noggle & Sons, Inc., Grant and High Streets, Manheim, Pa., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (boys' shirts and blouses).

Wm. H. Noggle & Sons, Inc., Rexmont, Pa., effective 11-30-51 to 11-29-52; five learners (boys' pajamas).

Wm. H. Noggle & Sons, Inc., Penryn, Pa., effective 12-1-51 to 11-30-52; two learners (pajama pants).

Oberman & Co., Fayetteville, Ark., effective 11-30-51 to 11-29-52; 10 percent of the productive factory force (men's and boys' single pants and shirts).

Publix Shirt Corp., Hazleton, Pa., effective 11-28-51 to 11-27-52; 10 percent of the productive factory force (men's sport and dress shirts, boys' sport shirts, U. S. A. F. dress shirts).

Regina Manufacturing Co., 44 Carey Avenue, Wilkes-Barre, Pa., effective 12-1-51 to 11-30-52; 10 percent of the productive factory force (corsets and allied garments, women's apparel).

Reliance Manufacturing Co., "Magnolia" Factory, Laurel, Miss., effective 12-1-51 to 11-30-52; 10 percent of the productive factory force (men's sport shirts and pajamas).

Reliance Manufacturing Co., "Sunflower" Factory, Cherryvale, Kans., effective 12-1-51 to 11-30-52; 10 percent of the productive factory force (boys' slack pants).

Somerset Shirt & Pajama Co., 221 South Pleasant Street, Somerset, Pa., effective 11-23-51 to 11-22-52; 10 percent of the productive factory force (men's and boys' nightwear).

Tyson Shirt Co., 620 Corson Street, Norristown, Pa., effective 11-29-51 to 11-28-52; 10 percent of the productive factory force (men's dress and sport shirts).

Weldon Manufacturing Co., Lopez, Pa., effective 11-30-51 to 11-29-52; 10 percent of the productive factory force (men's and boys' pajamas).

Weiss Shirt Co., Inc., 520 Lehman Street, Lebanon, Pa., effective 12-5-51 to 12-4-52; 10 percent of the productive factory force (men's shirts).

Cigar Industry Learner Regulations (29 CFR 522.201 to 522.211, as amended January 25, 1950; 15 F. R. 400).

El Moro Cigar Co., Corner South Greene Street and Edwards Place, Greensboro, N. C., effective 11-30-51 to 11-29-52; 10 percent of the productive factory workers engaged in the learner occupations; cigar machine operating; 320 hours at 60 cents per hour.

Pennstate Cigar Corp., 426 East Allegheny Avenue, Philadelphia 34, Pa., effective 11-30-51 to 11-29-52; 10 percent of the productive factory workers engaged in the learner occupations; cigar machine operating, 320 hours; machine stripping, 160 hours; machine packing, cigars retailing at 6 cents or less, 160 hours; each 60 cents per hour.

Hosiery Industry Learner Regulations (29 CFR 522.40 to 522.51, as revised November 19, 1951; 16 F. R. 10733).

Rockwood Mills, Oneida Branch, Oneida, Tenn., effective 12-3-51 to 12-2-52; five learners.

Rockwood Mills, Monterey Branch, Monterey, Tenn., effective 12-3-51 to 12-2-52; five learners.

Skyland Hosiery Mills, Inc., Asheville, N. C., effective 11-29-51 to 11-28-52; five learners.

Independent Telephone Industry Learner Regulations (29 CFR 522.82 to 522.93, as amended January 25, 1950; 15 F. R. 398).

Thermal Belt Telephone Co., Tyron, N. C., effective 11-30-51 to 11-29-52.

Knitted Wear Industry Learner Regulations (29 CFR 522.68 to 522.79, as amended January 25, 1950; 15 F. R. 398).

Knitters Co., 19 East Magnolia Street, Hazleton, Pa., effective 11-29-51 to 11-28-52; five learners (infants' and children's outerwear).

Laros Textiles Co., 313 Market Street, Kingston, Pa., effective 11-29-51 to 11-28-52; 5 percent of the productive factory force (ladies woven underwear).

Rita Manufacturing Co., Lehigh and Wire Streets, Allentown, Pa., effective 11-30-51 to 11-29-52; three learners (cotton polo shirts).

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.14).

Holmes Manufacturing Co., Conley, Ga., effective 12-3-51 to 6-2-52; five learners; sewing machine operators, stuffers; 240 hours each at 65 cents per hour (stuffed cotton toys).

Merit Clothing Co., Inc., Fifth and South Streets, Mayfield, Ky., effective 12-1-51 to 11-30-52; 7 percent of the productive factory force; machine operators (except cutting), pressers, hand sewers; 480 hours each; 60 cents per hour for the first 240 hours and 65 cents per hour for the remaining 240 hours (men's suits, top coats, sport coats, slacks).

Palm Beach Co., Danville, Ky., effective 12-6-51 to 12-5-52; 7 percent of the productive factory force; machine operating (except cutting), pressing, hand sewing; 480 hours each; 60 cents per hour for the first 240 hours and 65 cents per hour for the remaining 240 hours (coats).

Pfaltzgraff Pottery Co., West King Street, extended, York, Pa., effective 12-3-51 to 6-3-52; 10 percent of the productive factory force; pottery maker (not including mould runners and board carriers, helpers, floor hands, and clean-up laborers); 320 hours at 65 cents per hour (pottery).

Royersford Needle Works, Inc., Washington Street, Royersford, Pa., effective 11-30-51 to 5-29-52; 10 percent of the productive factory force; needle department—flattening, cranking, sorting and hanging on, inspection, filling bars on non-run points; sinker department—drilling cleats, laying together, lay together, needles, picking out needles; 480 hours each; needles—eye punching, laying in, cutting, swaging, bending, and tinning-clamping and tempering department, cleaning carrier tubes, splitting sinkers, gauging sinkers, annealing ends, needles; 960 hours each; 68½ cents per hour for the first 240 hours and 71½ cents per hour for the next 240 hours and 74½ cents per hour for the remainder of the learning period (knitting machine needles).

Each certificate has been issued upon the employer's representation that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be canceled in the manner provided in the regulations and as indicated in the certificates. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of Part 522.

Signed at Washington, D. C., this 3d day of December 1951.

MILTON BROOKE,
Authorized Representative of the Administrator.

[F. R. Doc. 51-14657; Filed, Dec. 11, 1951; 8:45 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. SA-246]

ACCIDENT OCCURRING NEAR OCALA, FLORIDA

NOTICE OF HEARING

In the matter of investigation of the air collision between aircraft of United States Registry N-25646 and Air Force L-4, No. 55151, which occurred near Ocala, Florida, on November 27, 1951.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 702 of said act, in the above-entitled proceeding that hearing is hereby assigned to be held on Wednesday, December 19, 1951, at 9:00 a. m., in the Hotel Marion, 108 North Magnolia Street, Ocala, Florida.

Dated at Washington, D. C., December 6, 1951.

[SEAL] ALLEN P. BOURDON,
Presiding Officer.

[F. R. Doc. 51-14729; Filed, Dec. 11, 1951; 8:56 a. m.]

DEFENSE PRODUCTION ADMINISTRATION

[D. P. A. Request No. 13-A]

SOCONY-VACUUM OVERSEAS SUPPLY CO.

ADDITIONAL COMPANY ACCEPTING REQUEST TO PARTICIPATE IN PLAN OF ACTION NO. 1 UNDER VOLUNTARY AGREEMENT RELATING TO SUPPLY OF PETROLEUM TO FRIENDLY FOREIGN NATIONS

Pursuant to section 708 of the Defense Production Act of 1950, as amended, there is herewith published the name of the following company which has accepted the request to participate in a plan of action, entitled "Plan of Action No. 1 under Voluntary Agreement Relating to the Supply of Petroleum to Friendly Foreign Nations," dated July 26, 1951, which request, original list of companies accepting such request, and voluntary plan were published on August 22, 1951, in 16 F. R. 8377. An additional list of companies accepting such request was published on October 30, 1951, in 16 F. R. 11038.

Socony-Vacuum Overseas Supply Company
158 Linwood Plaza
Fort Lee, New Jersey

(Sec. 708, 64 Stat. 818, 50 U. S. C. App. Supp. 2158; E. O. 10200, Jan. 3, 1951, 16 F. R. 61)

Dated: December 7, 1951.

MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51-14789; Filed, Dec. 11, 1951; 8:57 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of Price Stabilization

[Ceiling Price Regulation 7, Section 43, Revocation of Special Order 260]

LEVY BROS. & ADLER ROCHESTER, INC.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 260, issued to Levy Bros. & Adler Rochester, Inc., on August 6, 1951, estab-

lished ceiling prices for sales at retail of men's topcoats having the brand name "Mt. Rock."

Michaels, Stern & Company acquired the assets of Levy Bros. & Adler Rochester, Inc. and by Amendment 2 to Special Order 8 the "Mt. Rock" line is added to the coverage of Special Order 8 issued to Michaels, Stern & Company. Therefore, Michaels, Stern & Company as transferee of Levy Bros. & Adler Rochester, Inc. has applied for the revocation of Special Order 260. The Director has determined that sufficient reasons have been shown for revocation of the special order.

This order of revocation requires Michaels, Stern & Company to send a copy thereof to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, Special Order 260 issued to Levy Bros. & Adler Rochester, Inc. on August 6, 1951, effective August 7, 1951, establishing ceiling prices at retail for men's topcoats having the brand name "Mt. Rock" shall be, and the same hereby is, revoked in all respects.

2. Michaels, Stern & Company as transferee of Levy Bros. & Adler Rochester, Inc. must, within 15 days after the effective date of this revocation, send a copy of this order of revocation to all purchasers for resale to whom Levy Bros. & Adler Rochester, Inc., or Michaels, Stern & Company has given notice of Special Order 260.

Effective date. This order of revocation shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14644; Filed, Dec. 6, 1951; 4:56 p. m.]

[Ceiling Price Regulation 7, Section 43, Revocation of Special Order 716]

HODGMAN RUBBER CO.

CEILING PRICES AT RETAIL

Statement of Considerations. Special Order 716, issued to Hodgman Rubber Company on October 17, 1951, effective October 18, 1951, established ceiling prices at retail for shirts, shirts with hoods, parkas, pants, coolapaks, jackets, ground cloths, pouches, hunt suits, jackets with hoods, parka capes, fishing waders, repair kits, suspenders and cape caps, having the brand name "Hodgman."

Hodgman Rubber Company has applied for a revocation of this special order. The applicant states that it is unable to comply with the preticketing and other administrative provisions of the special order. The Director has determined that sufficient reasons exist for revocation of the order.

The order of revocation requires the applicant to send a copy to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, Special Order 716, issued to Hodgman Rubber Company on October 17, 1951, effective October 18, 1951, establishing ceiling prices at retail for shirts, shirts with hoods, parkas, pants, coolapaks, jackets, ground cloths, pouches, hunt suits, jackets with hoods, parka capes, fishing waders, repair kits, suspenders, and cape caps, having the brand name "Hodgman," shall be, and the same hereby is, revoked in all respects.

2. Hodgman Rubber Company, must, within 15 days after the effective date of this order of revocation, send a copy of this order of revocation to all purchasers for resale to whom it has given notice of Special Order 716.

Effective date. This order of revocation shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14654; Filed, Dec. 6, 1951; 4:59 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 169, Amdt. 2]

FULPER POTTERY CO.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 169 establishes new retail ceiling prices for certain of the applicant's branded articles. These new retail ceiling prices are listed in paragraph 1 of the special order and marked with an asterisk. The ceiling prices established prior to this amendment and still in effect are listed without an asterisk.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

Amendatory provisions. Special Order 169, under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 1 of the special order and substitute therefor the following:

1. The following ceiling prices are established for sales by any seller at retail of dinnerware manufactured by Fulper Pottery Co., New York Avenue, Trenton, New Jersey, having the brand name "Stangl," and described in the manufacturer's application dated April 16, 1951, as supplemented and amended by the manufacturer's application dated July 21, 1951.

The ceiling prices listed below, which are marked with an asterisk, shall become effective on receipt of a copy of this order by the retailer, but in no event later than 30 days after the effective date of this order. Ceiling prices not marked with an asterisk are effective upon the effective date of this order.

STANGL DINNERWARE

BLUEBERRY PATTERN, NO. 3770

Item	Ceiling price at retail (per unit)
Saucer, butter plate, or coaster	$0.75
Salt, pepper, 6" plate	1.00
Cup, fruit	1.25
8" plate, eggcup	1.50
9" plate, creamer, soup lug, 4" individual casserole with cover	1.75
10" plate	2.00
Sugar and cover, vegetable—8" round	2.25
Salad—10"	3.25
12½" chop plate, salad—12", coffee pot, teapot, relish dish	5.00
14½" chop plate	6.75
8" casserole with cover	7.25
Starter set—16 piece	14.95

TULIP PATTERN NO. 3637

Saucer	$0.75
6" plate, salt, pepper	1.00
Cup, fruit 5½", individual sugar w/o cover, individual creamer	1.25
8" plate, eggcup, cover for 6" casserole	1.50
9" plate, creamer, cereal 5½", soup lug, cover for 8" casserole	1.75
10" plate, 6" covered casserole w/o cover	2.00
Sugar and cover, vegetable 8" round	2.25
Individual coffee pot, 6" casserole w/handle	2.50
11" plate	2.75
Salad, 10"	3.25
6" covered casserole w/cover, 8" casserole w/handle	3.50
12½" chop plate, salad 11", teapot	5.00
8" covered casserole w/o cover	5.50
14" chop plate	6.75
8" covered casserole w/cover	7.25
Starter set—16 piece	14.95

GARDEN FLOWER PATTERN NO. 3700

Saucer	$0.75
6" plate, salt, pepper	1.00
Cup, fruit 5½", individual sugar w/o cover, individual creamer	1.25
8" plate, eggcup, cover for 6" casserole	1.50
9" plate, creamer, cereal 5½", soup lug, cover for 8" casserole	1.75
10" plate, 6" covered casserole w/o cover	2.00
Sugar and cover, vegetable 8" round	2.25
Individual coffee pot, 6" casserole w/handle	2.50
11" plate	2.75
Salad 10"	3.25
6" covered casserole w/cover, 8" casserole w/handle	3.50
Teapot, salad 11", 12½" chop plate	5.00
8" covered casserole w/o cover	5.50
14" chop plate	6.75
8" covered casserole w/cover	7.25
Starter set—16 piece	14.95

THISTLE PATTERN NO. 3847

Saucer, butter plate or coaster	$0.75
6" plate, salt, pepper	1.00
Fruit, cup	1.25
8" plate, eggcup	1.50
9" plate, creamer, soup lug, 4" individual casserole with cover	1.75
10" plate	2.00
Sugar and cover, vegetable—8" round	2.25
Salad 10"	3.25
12½" chop plate, salad 12", coffee pot, teapot, relish dish	5.00
14½" chop plate	6.75
8" casserole with cover	7.25
Starter set—16 piece	14.95

FRUIT PATTERN—PATTERN NO. 3697

Item	Ceiling price at retail (per unit)
Saucer	$0.75
6" plate, salt, pepper	1.00
Cup, fruit 5½", individual sugar w/o cover, individual creamer	1.25
8" plate, eggcup, cover for 6" casserole	1.50
9" plate, creamer, cereal 5½", soup lug, cover for 8" casserole	1.75
10" plate, 6" covered casserole w/o cover	2.00
Sugar & cover, vegetable 8" round	2.25
Individual coffee pot, 6" casserole w/handle	2.50
11" plate	2.75
Salad 10"	3.25
6" covered casserole w/cover, 8" casserole w/handle	3.50
12½" chop plate, salad 11", teapot	5.00
8" covered casserole w/o cover	5.50
14" chop plate	6.75
8" covered casserole w/cover	7.25
Starter set—16 pieces	14.95

STAR FLOWERS—PATTERN NO. 3864

Butter plate or coaster	*$0.75
Saucer	*1.00
6" plate, salt, pepper	*1.10
Cup, fruit	*1.25
8" plate, eggcup	*1.75
9" plate, creamer, soup lug, 4" individual casserole w/cover	*2.00
10" plate	*2.25
Sugar & cover, vegetable 8" round	*2.50
Salad 10"	*3.50
12½" chop plate, salad 12", coffee pot, tea pot, relish dish	*5.50
14½" chop plate, 8" covered casserole w/cover	*7.50
Starter set—16 pieces	*14.95

SERVING PIECES—ARTWARE

Pitcher vase, 6" casserole w/handle, horn vase, 8" round bowl, square bowl, heart shape	$2.00
8" casserole w/handle, watering pot, single pear, large apple	2.50
Candy dish w/cover—Square, 10" round bowl	3.00
Candy dish w/cover—round, 3-compartment clover leaf, compote, ive leaf	3.50
Double pear, small double apple, large heart-shape, apple leaf, large apple	4.00
Long leaf	5.00
Triple shell, large shell	6.00
Coffee warmer (minimum pack 18 pieces to carton with candles), (per carton)	36.00

2. Delete paragraph 4 of the special order and substitute therefor the following:

4. Within 15 days after the effective date of this special order the supplier shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the supplier had delivered any article covered in paragraph 1 of this special order. Copies shall also be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of this special order, and shall be accompanied by copies of each amendment thereto issued prior to the date of the delivery.

Within 15 days after the effective date of any subsequent amendment to this special order, the supplier shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date of such amendment, the supplier had delivered any article the sale of which is affected in any manner by the amendment.

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14643; Filed, Dec. 6, 1951; 4:56 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 339, Amdt. 1]

TELECHRON, INC.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 339 establishes new retail ceiling prices for certain of the applicant's branded articles. These new retail ceiling prices are listed in paragraph 1 of the special order and marked with an asterisk. The ceiling prices established prior to this amendment and still in effect are listed without an asterisk.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

Amendatory provisions. Special Order 339 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 1 of the special order and substitute therefor the following:

1. The following ceiling prices are established for sales by any seller at retail of electric clocks manufactured by Telechron, Inc., having the brand name "Telechron," and described in the manufacturer's application dated June 22, 1951, as supplemented and amended by the manufacturer's application dated October 16, 1951.

The ceiling prices listed below which are marked with an asterisk shall become effective on receipt of a copy of this order by the retailer, but in no event later than 30 days after the effective date of this order. Ceiling prices not marked with an asterisk are effective upon the effective date of this order. Sales may, of course, be made at less than the ceiling price.

Model No.:	Ceiling price at retail
2H19	$4.50
7HB137—I.	
7HB137—Br.	
7H169, 2H31	4.95
7HB153, 2H25	*5.75
7H183 (brown) and (ivory).	
7HC169L, 2H27	*5.95
7H161—LI	5.95
7H189	*6.95
7H173—LP, 2H21, 2H33	6.95
7H159—LI.	
7H159—LBrz	7.95
7H185L (ivory)	*7.95
7H09L (Venus bronze) and (ivory)	$7.75
8HA61	*8.95
7H167.	
7H07—LI.	
7H157.	
7H181	8.95
1H1308.	
7H163—L	9.95
7H187	*9.95
7H179	10.95
7H165.	
1H1312	12.95
7H195	*12.95
8HA55	*17.50
7H141—N	17.50
3H159	*21.00
3H163	*22.50
3H161	*25.00
7H141	*28.00

2. Delete paragraph 3 of the special order and substitute therefor the following:

3. *Notification to resellers*—(a) *Notice to be given by applicant.* (1) After receipt of this special order, a copy of this special order shall be sent by the applicant to each purchaser for resale on or before the date of the first delivery of any article covered in paragraph 1 of this special order.

(2) Within fifteen days after the effective date of this special order, the applicant shall send a copy of this special order to each purchaser for resale to whom within two months immediately prior to the receipt of this special order the applicant had delivered any article covered by paragraph 1 of this special order.

(3) The applicant must notify each purchaser for resale of any amendment to this special order in the same manner.

(4) The applicant must supply each purchaser for resale other than a retailer with sufficient copies of this special order and any amendment to permit such purchasers for resale to comply with the notification requirements of this special order.

(b) *Notice to be given by purchasers for resale (other than retailers).* (1) A copy of this special order shall be sent by each purchaser for resale (other than retailers) to each of his purchasers on or before the date of the first delivery after receipt of a copy of this special order.

(2) Within fifteen days of receipt of this special order, each purchaser for resale (other than retailers) shall send a copy of the order to each of his purchasers to whom, within two months prior to receipt of this special order, his records indicate he had delivered any article covered by paragraph 1 of this special order.

(3) Each purchaser for resale (other than retailers) must notify each purchaser of any amendment to this special order in the same manner.

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14645; Filed, Dec. 6, 1951; 4:56 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 442, Amdt. 2]

WESTINGHOUSE ELECTRIC CORP.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 442, issued under section 43 of Ceiling Price Regulation 7, to Westinghouse Electric Corporation, extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. Special Order 442 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. In paragraph 2, substitute for the date "October 15, 1951," the date "January 14, 1952."

2. In paragraph 2, substitute for the date "November 14, 1951," wherever it appears, the date "February 13, 1952."

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14647; Filed, Dec. 6, 1951; 4:57 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 393, Amdt. 1]

TEXTRON, INC.

CEILING PRICES AT RETAIL AND WHOLESALE

Statement of considerations. This amendment to Special Order 393, issued under section 43 of Ceiling Price Regulation 7 to Textron, Inc., establishes ceiling prices for sale at wholesale of cotton cloth having the brand name "Indian Head."

Special Order 393 established ceiling prices at retail for this cotton cloth but did not establish ceiling prices at wholesale. Such wholesale ceiling prices were requested by Textron, Inc., in its application of May 28, 1951, but were inadvertently omitted from Special Order 393. These wholesale ceiling prices are established by incorporating into the special order the manufacturer's application dated September 14, 1951.

1. *Amendatory provisions.* 1. Delete paragraph 1 of the special order and substitute therefor the following:

1. *Ceiling prices.* The ceiling prices for sales at retail and wholesale of cotton cloth having the brand name "Indian Head" and for sales at retail of electric blankets and blankets having the brand names "Textron Electric Blankets" and "Textron Purrey," shall be the proposed retail and wholesale ceiling prices listed by Textron, Inc., 20 Market Square, Providence 1, Rhode Island, hereinafter referred to as the "applicant," in its application dated March 9, 1951, as supplemented and amended by its applications dated May 1, 1951, May 3, 1951, May 28, 1951, and September 14, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of this special order, with notice of prices annexed, but in no event later than 30 days after the effective date of this order, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. On and after the date of receipt of a copy of this order, but in no event later than 15 days after the effective date of this order, no seller at wholesale of cotton cloth covered by this order may offer or sell at a price higher than the ceiling price established by this special order. Sales may be made, of course, at less than the ceiling prices.

2. Delete subparagraph 3 (a) (4) and substitute therefor the following:

(4) The applicant shall annex to this special order or amendment a notice listing the style or lot number, name, or other description of each item covered by this special order or amendment and its corresponding retail ceiling price and (for cotton cloth) its corresponding wholesale ceiling price. The notice shall be in substantially the following form:

(Column 1)	(Column 2)	(Column 3)
Item (style or lot number or other description)	Retailer's ceiling price for articles listed in column 1	Wholesaler's ceiling price for articles listed in column 1
----------	$----------	$----------

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14646; Filed, Dec. 6, 1951; 4:57 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 457, Amdt. 1]

CROWN FASTENER CORP.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 457, issued under section 43, of Ceiling Price Regulation 7 to Crown Fastener Corporation, extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. Special Order 457 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. In paragraph 3, substitute for the date "October 16, 1951" the date "April 16, 1952."

2. In paragraph 3, substitute for the date "November 15, 1951," wherever it appears, the date "May 15, 1952."

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14648; Filed, Dec. 6, 1951; 4.57 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 470, Amdt. 1]

AKOM

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 470, issued under section 43 of Ceiling Price Regulation 7 to Akom, extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. 1. In the third sentence of paragraph 5, delete "after 60 days from the effective date of this order," and substitute therefor "after January 10, 1952."

2. In the last sentence of paragraph 5, delete "60 days" and substitute therefor "90 days."

3. In paragraph 9, delete "within 60 days after the effective date of this order," and substitute therefor "after December 11, 1951."

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14649; Filed, Dec. 6, 1951; 4:58 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 484, Amdt. 1]

FREEZER-ABELES SHIRT CORP.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 484 under section 43 of Ceiling Price Regulation 7 established ceiling prices at retail for men's shirts manufactured by Freezer-Abeles Shirt Corp. having the brand name "Fruit of the Loom."

This amendment to Special Order 484 issued under section 43 of Ceiling Price Regulation 7, to Freezer-Abeles Shirt Corp. adds a new price line to those for which ceiling prices at retail were established by the special order. The retail ceiling prices for some of its branded articles are fixed in relation to costs falling within specified cost brackets. Such cost brackets in place of cost lines for certain of the price lines will allow for minor changes in cost without influencing the general level of retail prices for the articles covered by the special order.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceil-

ing prices under Ceiling Price Regulation 7.

In addition, this amendment lists the manufacturer's selling prices and the retail ceiling prices for the articles which were established by the special order but which were not listed in the special order.

In addition, this amendment extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. Special Order 484 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 2 of the special order and substitute therefor the following:

2. *Retail ceiling prices for listed articles.* Your ceiling price for sales at retail of the articles identified in paragraph 1 are listed below. These ceiling prices become effective on the effective date of this order, except that the ceiling price marked with an asterisk shall become effective on receipt of this order, but in no event after 30 days after the effective date of this special order. You may, of course, sell below these prices. The manufacturer's prices listed below are subject to terms of net 10 E. O. M., F. O. B. factory.

Manufacturer's selling price (per dozen):	*Ceiling price at retail (per unit)*
$12.75	$1.69
or 3 for	5.00
$15.50	1.99
$18.50 through $19.50	2.59
or 2 for	5.00
$21.75 through $23.75	2.99
$25.50	3.50
$28.50	*3.95
$30.00	3.99
$36.00	4.99
$45.00	5.99

*This price line was added to the special order by amendment 1 to the special order.

2. In paragraph 3 delete the words "covered by the list," and substitute therefor the words "stated in paragraph 2."

3. In the third sentence of paragraph 5, delete "After 60 days from the effective date of this order," and substitute therefor "After January 17, 1952."

4. In the last sentence of paragraph 5, delete "60 days" and substitute therefor, "90 days."

5. Delete subparagraph 7 (a) and substitute therefor the following:

(a) *Sending the order to old customers:* Within 15 days after the effective date of this special order, you shall send a copy of this order to each purchaser for resale to whom, within two months immediately prior to the effective date, you had delivered any article covered by this order.

6. Delete subparagraph 7 (b) and substitute therefor the following:

(b) *Notification to new customers:* A copy of this special order shall be sent to all other purchasers for resale on or before the date of the first delivery of any article covered by this order.

7. Delete subparagraph 7 (d) from the special order.

8. Delete paragraph 8 from the special order.

9. In paragraph 9, delete "within 60 days after the effective date of this order," and substitute therefor "after December 18, 1951."

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14650; Filed, Dec. 6, 1951; 4:58 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 569, Amdt. 1]

PORTER CHEMICAL CO.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 569, issued under section 43, of Ceiling Price Regulation 7, to The Porter Chemical Company, extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. Special Order 569 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. In paragraph 2, substitute for the date "October 20, 1951," the date "January 2, 1952."

2. In paragraph 2, substitute for the date "November 19, 1951," wherever it appears, the date "February 1, 1952."

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14652; Filed, Dec. 6, 1951; 4:59 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 618, Amdt. 1]

RIPON KNITTING WORKS

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 618, issued under section 43, of Ceiling Price Regulation 7, to Ripon Knitting Works, extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. 1. In the third sentence of paragraph 5, delete "after 60 days from the effective date of this order," and insert, "after January 14, 1952."

2. In the last sentence of paragraph 5, delete "60 days" and substitute therefor, "90 days."

3. In paragraph 9, delete, "within 60 days after the effective date of this order," and substitute therefor, "after December 14, 1951."

Effective date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14653; Filed, Dec. 6, 1951; 4:59 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 507, Amdt. 1]

MOHAWK CARPET MILLS, INC.

Statement of considerations. Special Order 507, under section 43 of Ceiling Price Regulation 7, established ceiling prices for sales at retail of floor carpeting manufactured by the Mohawk Carpet Mills, Inc. having the brand name "Mohawk".

This amendment establishes and lists the new lower ceiling prices for the articles covered by the special order.

Since the manufacturer's selling prices and ceiling prices at retail varied throughout the United States the manufacturer's selling prices and the ceiling prices at retail are listed in relation to those prices in the designated zones.

Amendatory provisions. Special Order 507 under Ceiling Price Regulation 7, section 43 is amended in the following respects:

1. Delete paragraph 2 from the special order and substitute therefor the following:

2. *Retail Ceiling Prices for Listed Articles.* The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of floor carpeting manufactured by the Mohawk Carpet Mills Co., Inc., Amsterdam, New York having the brand name "Mohawk" and described in the manufacturer's application dated May 5, 1951 as supplemented and amended in the manufacturer's applications dated May 23, 1951, September 28, 1951, October 5, 1951 and October 15, 1951.

The zones referred to below are described as follows: Zone 1 is comprised of the state of New York. Zone 2 is comprised of the cities and states of Allentown, Pennsylvania, Binghamton, Buffalo and Rochester, New York, Connecticut, District of Columbia, Harrisburg, Philadelphia, Reading and Scranton, Pennsylvania, Maryland and Massachusetts. Zone 3 is comprised of the cities and states of Detroit and Grand Rapids, Michigan, Erie and Pittsburgh, Pennsylvania, Illinois, Indianapolis, Indiana, Louisville, Kentucky, North Carolina, Ohio, Virginia, West Virginia, and Wisconsin. Zone 4 is comprised of the cities and states of Alabama, Evansville, Indiana, Georgia, Jacksonville, Florida, St. Louis, Missouri, South Carolina and Tennessee. Zone 5 is comprised of the cities and states of California, Colorado, Iowa, Louisiana, Miami and Tampa, Florida, Minnesota, Missouri, Nebraska, Oklahoma, Texas, Utah and Washington.

Sales may, of course, be made at less than the ceiling prices. The manufacturer's selling prices for the articles are subject to terms of 5/10, 4/70, net 71.

WILTON: GAINSBOROUGH, PURLPOINT, AND SHUTTLEPOINT

	Manufacturer's selling price, f. o. b. mill	Manufacturer's selling price, Zone 1	Manufacturer's selling price, Zone 2	Manufacturer's selling price, Zone 3	Manufacturer's selling price, Zone 4	Manufacturer's selling price, Zone 5	Ceiling price at retail, Washington	Ceiling price at retail, California	Ceiling price at retail, all other States
Linear yard	$6.14	$6.18	$6.20	$6.23	$6.24	$6.27	----------	$11.50	$10.50
Square yard	8.16	8.21	8.24	8.28	8.30	8.34	----------	14.95	13.95
Do	8.18	8.24	8.27	8.32	8.34	8.39	----------	14.95	13.95
Linear yard	9.68	9.73	9.76	9.80	9.82	9.86	----------	17.50	16.50
Square yard	10.88	10.95	10.99	11.05	11.08	11.14	----------	19.50	18.50
Do	12.91	12.99	13.03	13.09	13.13	13.20	----------	22.95	21.95

CHENILLE (PLAIN AND BAND BORDERED RUGS)

Square yard	$15.10	$15.19	$15.24	$15.31	$15.35	$15.44	$25.50	$25.50	$23.50
Do	17.15	17.24	17.29	17.36	17.40	17.49	28.75	28.95	26.75
Do	18.45	18.53	18.58	18.65	18.69	18.77	31.00	30.95	28.75
Do	18.70	18.79	18.84	18.92	18.96	19.04	31.50	31.50	28.93
Do	19.15	19.24	19.30	19.38	19.43	19.52	32.25	32.25	29.75
Do	19.45	19.54	19.59	19.67	19.71	19.79	32.75	32.75	30.15
Do	20.05	20.14	20.20	20.28	20.32	20.41	33.75	33.75	31.25
Do	20.30	20.39	20.45	20.52	20.57	20.65	34.00	33.95	31.50
Do	20.50	20.58	20.63	20.71	20.74	20.83	34.50	34.50	31.75
Do	21.15	21.24	21.30	21.37	21.42	21.51	35.50	35.50	32.75
Do	22.35	22.44	22.50	22.58	22.63	22.72	37.50	37.50	34.75
Do	22.35	22.45	22.52	22.61	22.66	22.76	37.75	37.50	34.75
Do	22.65	22.74	22.80	22.89	22.93	23.03	38.00	37.95	35.25
Do	22.65	22.75	22.81	22.90	22.95	23.05	38.00	37.95	35.25
Do	24.85	24.95	25.01	25.10	25.15	25.26	41.75	41.75	38.50
Do	25.65	25.75	25.81	25.90	25.95	26.05	43.00	42.95	39.75
Do	26.15	26.26	26.33	26.43	26.49	26.60	44.00	43.95	40.50
Do	26.95	27.06	27.13	27.23	27.28	27.39	45.25	45.25	41.75
Do	28.25	28.35	28.41	28.49	28.54	28.64	47.25	47.25	43.75
Do	31.15	31.26	31.33	31.44	31.49	31.61	52.25	51.95	48.25

CLASS ONE—UP TO 6" DESIGN REPEAT

Square yard	$24.00	$24.09	$24.14	$24.21	$24.25	$24.34	$39.20	$39.40	$37.20
Do	25.85	25.93	25.98	26.05	26.09	26.17	42.32	42.27	40.07
Do	26.80	26.89	26.95	27.03	27.08	27.17	44.04	44.04	41.54
Do	28.05	28.14	28.20	28.28	28.32	28.41	45.98	45.98	43.48
Do	28.40	28.49	28.55	28.62	28.67	28.75	46.52	46.47	44.02
Do	28.70	28.78	28.83	28.91	28.94	29.03	47.24	47.24	44.49
Do	29.60	29.69	29.75	29.82	29.87	29.96	48.63	48.63	45.88
Do	31.30	31.39	31.45	31.53	31.58	31.67	51.27	51.27	48.52
Do	31.30	31.40	31.47	31.56	31.61	31.71	51.52	51.27	48.52
Do	31.70	31.80	31.86	31.95	32.00	32.10	51.89	51.84	49.14
Do	34.80	34.90	34.96	35.05	35.10	35.21	57.19	57.19	53.94
Do	35.90	36.00	36.06	36.15	36.20	36.30	58.90	58.85	55.65
Do	37.75	37.86	37.93	38.03	38.08	38.19	62.01	62.01	58.51
Do	39.55	39.65	39.71	39.79	39.84	39.94	64.80	64.80	61.30
Do	43.60	43.71	43.78	43.89	43.94	44.06	71.58	71.28	67.58
Do	27.45	27.54	27.59	27.66	27.70	27.79	44.55	44.75	42.55
Do	29.50	29.58	29.63	29.70	29.74	29.82	47.98	47.93	45.73
Do	30.65	30.74	30.80	30.88	30.93	31.02	50.01	50.01	47.51
Do	32.10	32.19	32.25	32.33	32.37	32.46	52.26	52.26	49.76
Do	32.50	32.59	32.65	32.72	32.77	32.85	52.88	52.83	50.38
Do	32.80	32.88	32.93	33.01	33.04	33.13	53.59	53.59	50.84
Do	33.85	33.94	34.00	34.07	34.12	34.21	55.22	55.22	52.47
Do	35.75	35.84	35.90	35.98	36.03	36.12	58.16	58.16	55.41
Do	35.75	35.85	35.92	36.01	36.06	36.16	58.41	58.16	55.41
Do	36.25	36.35	36.41	36.50	36.55	36.65	58.94	58.89	56.19
Do	39.75	39.85	39.91	40.00	40.05	40.16	64.86	64.86	61.61
Do	41.05	41.15	41.21	41.30	41.35	41.45	66.88	66.83	63.63
Do	43.10	43.21	43.28	43.38	43.43	43.54	70.31	70.01	66.81
Do	45.20	45.30	45.36	45.44	45.49	45.59	73.56	73.56	70.06
Do	49.85	49.96	50.03	50.14	50.19	50.31	81.27	80.97	77.27

2. In paragraph 7 of the special order delete sub-paragraph (a) and substitute therefor the following:

(a) *Sending order to old customers.* Within 15 days after the effective date of this special order, you shall send a copy of this order to each purchaser for resale to whom, within two months immediately prior to the effective date, you had delivered any article covered by this order.

3. In paragraph 7 of the special order delete sub-paragraph (b) and substitute therefor the following:

(b) *Notification to new customers.* A copy of this special order shall be sent to all other purchasers for resale on or before the date of the first delivery of any article covered by this order.

4. In paragraph 7 of the special order delete sub-paragraph (d).

5. Delete paragraph 8 and insert the word "Deleted" after the paragraph designation "8".

Effective Date. This amendment shall become effective December 6, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 6, 1951.

[F. R. Doc. 51-14651; Filed, Dec. 6, 1951; 4:59 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 81, Amdt. 2]

UNION UNDERWEAR COMPANY, INC.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 81, issued under section 43, of Ceiling Price Regulation 7 to Union Underwear Company, Inc., extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

In addition this amendment lists the retail ceiling prices which were established by the special order but which were not listed in the order.

Amendatory provisions. Special Order 81 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 1 of the special order and substitute therefor the following:

1. The following ceiling prices are established after the effective date of this special order for sales at retail of men's and boy's underwear having the brand name "Fruit-of-the-Loom" manufactured by the Union Underwear Company, Inc., and described in the manufacturer's application dated April 2, 1951, as supplemented and amended by the manufacturer's application dated November 19, 1951:

MEN'S UNDERWEAR

Style No.	Ceiling price at retail (per unit)	Ceiling price at retail (quantities of 3)
2401	$0.59	$1.75
2501	.59	1.75
2801	.59	1.75
7601	.69	2.05
2525	.79	2.35
2525RC	.79	2.35
583	.79	2.35
583W	.79	2.35
583C	.79	2.35
580	.79	2.35
580W	.79	2.35
580C	.79	2.35
587	.79	2.35
585W	.79	2.35
585C	.79	2.35
1500	1.59	4.75

BOYS' UNDERWEAR

501B	$0.39	$1.15
801B	.59	1.75
525B	.59	1.75
580B	.59	1.75
583B	.59	1.75

2. In paragraph 3, substitute for the date "November 26, 1951" the date "February 26, 1952."

3. In paragraph 3, substitute for the date "December 26, 1951," wherever it appears, the date "March 26, 1952."

4. Delete paragraph 4 of the special order and substitute therefor the following:

4. Within 15 days after the effective date of this special order the manufacturer shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered in paragraph 1 of this special order. Copies shall also be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of this special order, and shall be accompanied by copies of each amendment thereto issued prior to the date of the delivery.

Within 15 days after the effective date of any subsequent amendment to this special order, the manufacturer shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date

of such amendment, the manufacturer had delivered any article, the sale of which is affected in any manner by the amendment.

Effective date. This amendment shall become effective December 7, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 7, 1951.

[F. R. Doc. 51-14737; Filed, Dec. 7, 1951; 4:55 p. m.]

[Region I, Redelegation of Authority No. 1, Amdt. 1]

DIRECTORS OF DESIGNATED DISTRICT OFFICES REGION I

REDELEGATION OF AUTHORITY TO REDUCE APPENDIX E MARKUPS UNDER CPR 7

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Amendment 1 to Delegation of Authority No. 5 (16 F. R. 11128), this amendment to Redelegation of Authority No. 1 is hereby issued.

Amendatory provisions. Redelegation of Authority No. 1 is amended by adding item 4 to read as follows:

4. Authority is hereby redelegated to the Directors of the Boston and Springfield, Massachusetts; Providence, Rhode Island; and Manchester, New Hampshare; District Offices of the Office of Price Stabilization in Region I to reduce, by order, in accordance with section 39 (a) (3) of Ceiling Price Regulation 7, markups of sellers using Appendix E markups to bring their markups into line with markups for sellers of the same class.

This Amendment No. 1 shall take effect as of November 7, 1951.

JOSEPH M. MCDONOUGH,
Director Regional Office I.

DECEMBER 10, 1951.

[F. R. Doc. 51-14814; Filed, Dec. 10, 1951; 5:03 p. m.]

[Region I, Redelegation of Authority 5, Amdt. 1]

DIRECTOR OF HARTFORD, CONNECTICUT, DISTRICT OFFICE, REGION I

REDELEGATION OF AUTHORITY TO REDUCE APPENDIX E MARKUPS UNDER CPR 7

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Amendment 1 to Delegation of Authority No. 5 (16 F. R. 11128), this amendment to Redelegation of Authority No. 5 is hereby issued.

Amendatory provisions. Redelegation of Authority No. 5 is amended by adding item 4 to read as follows:

4. Authority is hereby redelegated to the Director of the Hartford, Connecticut District Office of the Office of Price Stabilization in Region I to reduce, by order, in accordance with section 39 (a) (3) of Ceiling Price Regulation 7, markups of sellers using Appendix E markups to bring their markups into line with markups for sellers of the same class.

This Amendment No. 1 shall take effect as of November 7, 1951.

JOSEPH M. MCDONOUGH,
Director Regional Office I.

DECEMBER 10, 1951.

[F. R. Doc. 51-14815; Filed, Dec. 10, 1951; 5:03 p. m.]

[Region I, Redelegation of Authority 9, Amdt. 1]

DIRECTORS OF DESIGNATED DISTRICT OFFICES REGION I

REDELEGATION OF AUTHORITY TO REDUCE APPENDIX E MARKUPS UNDER CPR 7

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Amendment 1 to Delegation of Authority No. 5 (16 F. R. 11128), this amendment to Redelegation of Authority No. 9 is hereby issued.

Amendatory provisions. Redelegation of Authority No. 9 is amended by adding item 4 to read as follows:

4. Authority is hereby redelegated to the Directors of the Portland, Maine; and Montpelier, Vermont, District Offices of the Office of Price Stabilization in Region I to reduce, by order, in accordance with section 39 (a) (3) of Ceiling Price Regulation 7, markups of sellers using Appendix E markups to bring their markups into line with markups for sellers of the same class.

This Amendment No. 1 shall take effect as of November 7, 1951.

JOSEPH M. MCDONOUGH,
Director Regional Office I.

DECEMBER 10, 1951.

[F. R. Doc. 51-14816; Filed, Dec. 10, 1951; 5:04 p. m.]

Region II, Redelegation of Authority 9]

DIRECTORS OF DISTRICT OFFICES, REGION II

REDELEGATION OF AUTHORITY TO ACT ON PRICING AND REPORTS—CPR 34

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 2, pursuant to Delegation of Authority No. 28 (16 F. R. 11703) this redelegation of authority is hereby issued.

1. Authority under section 3 (b) of Ceiling Price Regulation 34, as amended. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse, and Albany, New York; and the Newark and Trenton, New Jersey; Offices of Price Stabilization to accept the reports correcting purely arithmetical errors under the provisions of section 3 (b) of Ceiling Price Regulation 34, as amended.

2. Authority to act under sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse, and Albany, New York and the Newark and Trenton, New Jersey, Offices of Price Stabilization to accept reports, establish, approve and disapprove ceiling prices or to require further information under the provisions of sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended.

3. Authority to act under section 9 of Ceiling Price Regulation 34, as amended. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse and Albany, New York and the Newark and Trenton, New Jersey, Offices of Price Stabilization to disapprove or to revise proposed or established ceiling prices under the provisions of section 9 of Ceiling Price Regulation 34, as amended.

4. Authority to act under sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse, and Albany, New York; and the Newark and Trenton, New Jersey; Offices of Price Stabilization to require further information or to disapprove of statements filed under the provisions of sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.

5. Authority to act under section 19 (b) of Ceiling Price Regulation 34, as amended. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse, and Albany, New York; and the Newark and Trenton, New Jersey; Offices of Price Stabilization to establish ceiling prices under section 19 (b) of Ceiling Price Regulation 34 (as amended).

This redelegation of authority is effective December 11, 1951.

JAMES G. LYONS,
Director of Regional Office II.

DECEMBER 10, 1951.

[F. R. Doc. 51-14809; Filed, Dec. 10, 1951; 5:02 p. m.]

[Region II, Redelegation of Authority 10]

DIRECTORS OF DISTRICT OFFICES, REGION II

REDELEGATION OF AUTHORITY TO MODIFY, REVISE OR REQUEST FURTHER INFORMATION CONCERNING APPLICATIONS FILED UNDER THE PROVISIONS OF SECTION 14 (C) OF CPR 74

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 2, pursuant to Delegation of Authority No. 31 (16 F. R. 11752) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse, and Albany, New York; and the Newark and Trenton, New Jersey; Offices of Price Stabilization to modify, revise or request further information concerning applications filed pursuant to section 14 (c) of CPR 74.

This redelegation of authority is effective December 11, 1951.

JAMES G. LYONS,
Director of Regional Office II.

DECEMBER 10, 1951.

[F. R. Doc. 51-14810; Filed, Dec. 10, 1951; 5:02 p. m.]

[Region II, Redelegation of Authority 11]

DIRECTORS OF DISTRICT OFFICES, REGION II

REDELEGATION OF AUTHORITY TO ACT UNDER CPR 74

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 2, pursuant to Delegation of Authority No. 32 (16 F. R. 11891) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse and Albany, New York; and the Newark and Trenton, New Jersey; Offices of Price Stabilization to act under sections 12, 43 (a) and (b), 44 (a) and (b), 45 (a) and (b), 46, 47, 49, 50 and 60 (c) of Ceiling Price Regulation 74.

This redelegation of authority is effective December 11, 1951.

JAMES G. LYONS,
Director of Regional Office II.

DECEMBER 10, 1951.

[F. R. Doc. 51-14811; Filed, Dec. 10, 1951; 5:03 p.m.]

[Region II, Redelegation of Authority 12]

DIRECTORS OF DISTRICT OFFICES, REGION II

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR EXEMPTION FILED BY NON-PROFIT CLUBS UNDER THE PROVISIONS OF CPR 11

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 2, pursuant to Delegation of Authority No. 34 (16 F. R. 11979) this redelegation of authority is hereby issued.

1. Authority to act under section 9 (e) of CPR 11. Authority is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse and Albany, New York; and the Newark and Trenton, New Jersey; Office of Price Stabilization to act on all applications for exemption under the provisions of section 9 (e) of CPR 11.

This redelegation of authority is effective December 11, 1951.

JAMES G. LYONS,
Director of Regional Office II.

DECEMBER 10, 1951.

[F. R. Doc. 51-14812; Filed, Dec. 10, 1951; 5:03 p. m.]

[Region II, Redelegation of Authority 13]

DIRECTORS OF DISTRICT OFFICES, REGION II

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS PERTAINING TO CERTAIN ITEMS OF SAUSAGE

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 2, pursuant to Delegation of Authority No. 35 (16 F. R. 12025) this redelegation of authority is hereby issued.

1. The authority delegated to the Regional Director to be exercised concurrently with the National Office is hereby redelegated to the Directors of the New York City, Buffalo, Rochester, Syracuse and Albany, New York; and the Newark and Trenton, New Jersey; Offices of Price Stabilization to request further information, pursuant to section 9 of Revised Supplementary Regulation 34, with respect to any ceiling price granted, reported or proposed pursuant to Supplementary Regulation 34, issued June 12, 1951 or to Revised Supplementary Regulation 34 and at any time to disapprove or revise, pursuant to section 9 of Revised Supplementary Regulation 34, any such granted, reported or proposed ceiling price in order to bring it in line with the general level of prices prevailing under Revised Supplementary Regulation 34. This authority to the District Directors is to be exercised by them concurrently with the Regional Director and the National Office.

This redelegation of authority is effective December 11, 1951.

JAMES G. LYONS,
Director of Regional Office II.

DECEMBER 10, 1951.

[F. R. Doc. 51-14813; Filed, Dec. 10, 1951; 5:03 p. m.]

[Region V, Redelegation of Authority 7]

DIRECTORS OF DISTRICT OFFICES, REGION V

REDELEGATION OF AUTHORITY TO ACT ON PRICING AND REPORTS UNDER CEILING PRICE REGULATION 34

By virtue of the authority vested in me as Director of the Regional Office of the Office of Price Stabilization, No. 5, pursuant to Delegation of Authority 28 (16 F. R. 11703), this Redelegation of Authority is hereby issued.

Authority is hereby redelegated to the Directors of the Atlanta, Georgia; Birmingham, Alabama; Columbia, South Carolina; Jackson, Mississippi; Jacksonville, Florida; Memphis, Tennessee; Miami, Florida; Montgomery, Alabama; Nashville, Tennessee, and Savannah, Georgia District; Offices of the Office of Price Stabilization:

(a) To act within the respective district office territory limits as follows:

1. Authority under section 3 (b) of Ceiling Price Regulation 34, as amended, is redelegated to accept the reports correcting purely arithmetical errors under the provisions of section 3 (b) of Ceiling Price Regulation 34, as amended.

2. Authority to act under sections 6, 7, and 8 of Ceiling Price Regulation 34, as amended, is hereby redelegated to accept reports, establish, approve or disapprove ceiling prices or to require further information under the provisions of sections 6, 7, and 8 of Ceiling Price Regulation 34, as amended.

3. Authority to act under section 9 of Ceiling Price Regulation 34, as amended, is hereby redelegated to disapprove or to revise proposed or established ceiling prices under the provisions of section 9 of Ceiling Price Regulation 34, as amended.

4. Authority to act under section 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended, is hereby redelegated to require further information or to disapprove of statements filed under the provisions of section 18 (b) and 18 (c).

5. Authority to act under section 19 (b) of Ceiling Price Regulation 34, as amended, is hereby redelegated to establish ceiling prices under section 19 (b) of Ceiling Price Regulation 34, as amended.

This redelegation of authority is effective as of November 28, 1951.

GEORGE D. PATTERSON, Jr.,
Director of Regional Office V.

DECEMBER 10. 1951.

[F. R. Doc. 51-14808; Filed, Dec. 10, 1951; 5:02 p. m.]

[Region VII, Redelegation of Authority 6]

DIRECTORS OF DISTRICT OFFICES, REGION VII

REDELEGATION OF AUTHORITY TO AUTHORIZE MARKUPS IN EXCESS OF APPENDIX E OF CPR 7, AND TO PERMIT PRICING METHODS FOR SETS (GROUPS OF ARTICLES) TO WHICH SERVICES HAVE BEEN ADDED AND FOR REPAIRED OR RECONDITIONED ARTICLES

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region VII, pursuant to the provisions of Delegation of Authority No. 5 dated April 28, 1951 (16 F. R. 3672), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Region VII, to authorize, by order, in accordance with section 39 (b) (3) of Ceiling Price Regulation 7, as amended, modified or otherwise changed by subsequent directives, markups higher than those listed in Appendix E of that regulation.

2. Authority is hereby redelegated to the District Directors Office of Price Stabilization, Region VII, to permit, by order, in accordance with section 39 (c) (2) of Ceiling Price Regulation 7, as amended, modified or otherwise changed by subsequent directives, sellers to add to the total net costs of the constituent articles of assembled sets (groups of articles) to which services have been added the cost of the services provided and a markup in line with the level of prices established by that regulation.

3. Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Region VII, to permit, by order, in accordance with section 39 (d) of the Ceiling Price Regulation 7, as amended, modified, or otherwise changed by subsequent directives, sellers to add to the ceiling price established under that regulation the actual net cost of reconditioning or repairing the articles to be sold.

This redelegation of authority is effective December 11, 1951.

MICHAEL J. HOWLETT,
Director of Regional Office VII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14807; Filed, Dec. 10, 1951; 5:02 p. m.]

[Region VII, Redelegation of Authority 7]

DIRECTORS OF DISTRICT OFFICES, REGION VII

REDELEGATION OF AUTHORITY TO PROCESS REPORTS OF PROPOSED CEILING PRICES FOR SALES AT RETAIL BY RESELLERS PURSUANT TO SECTION 5 OF CPR 67

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region VII, pursuant to Delegation of Authority No. 22, dated September 28, 1951 (16 F. R. 10010), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Seventh Region, to approve, pursuant to section 5, CPR 67, a ceiling price for sales at retail proposed by a reseller under CPR 67, disapprove such a proposed ceiling price, establish a different ceiling price by order, or request further information concerning such a ceiling price.

This redelegation of authority is effective December 11, 1951.

MICHAEL J. HOWLETT,
Director of Regional Office VII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14806; Filed, Dec. 10, 1951; 5:02 p. m.]

[Region VII, Redelegation of Authority 8]

DIRECTORS OF DISTRICT OFFICES, REGION VII

REDELEGATION TO ACT ON ALL APPLICATIONS FOR EXEMPTION UNDER THE PROVISIONS OF SECTION 9 OF CPR 11

By virtue of the authority vested in me as Director of the Regional Office of Office of Price Stabilization, Region VII, pursuant to the provisions of Delegation of Authority No. 34 dated November 27, 1951 (16 F. R. 11979), this redelegation of authority is hereby issued.

Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Region VII, to act on all applications for exemption under the provisions of section 9 (e) of CPR 11.

This redelegation of authority is effective December 11, 1951.

MICHAEL J. HOWLETT,
Director of Regional Office VII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14805; Filed, Dec. 10, 1951; 5:01 p. m.]

[Region VIII, Redelegation of Authority 9]

DIRECTORS OF DISTRICT OFFICES, REGION VIII

REDELEGATION OF AUTHORITY TO MODIFY, REVISE OR REQUEST FURTHER INFORMATION CONCERNING APPLICATIONS FILED UNDER THE PROVISIONS OF SECTION 14 (C) OF CPR 74

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region VIII, pursuant to Delegation of Authority No. 31, dated November 19, 1951 (16 F. R. 11752), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to modify, revise, or request further information concerning applications filed pursuant to section 14 (c) of CPR 74.

This redelegation of authority shall take effect as of November 26, 1951.

PHILIP NEVILLE,
Regional Director, Region VIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14801; Filed, Dec. 10, 1951; 5:00 p. m.]

[Region VIII, Redelegation of Authority 10]

DIRECTORS OF DISTRICT OFFICES, REGION VIII

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR EXEMPTION FILED BY NON-PROFIT CLUBS UNDER THE PROVISIONS OF CPR 11

By virtue of the authority vested in me as Regional Director of the Regional Office of Price Stabilization, Region VIII, pursuant to Delegation of Authority No. 34, dated November 27, 1951 (16 F. R. 11979), this redelegation of authority is hereby issued.

1. *Authority to act under section 9 (e) of CPR 11.* Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to act on all applications for exemption under the provisions of section 9 (e) of CPR 11.

This redelegation of authority shall take effect as of November 27, 1951.

PHILIP NEVILLE,
Regional Director, Region VIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14817; Filed, Dec. 10, 1951; 5:00 p. m.]

[Region VIII, Redelegation of Authority 11]

DIRECTORS OF DISTRICT OFFICES, REGION VIII

REDELEGATION OF AUTHORITY TO ACT ON PRICING AND REPORTS UNDER CPR 34

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region VIII, pursuant to Delegation of Authority No. 28, dated November 16, 1951 (16 F. R. 11703), this redelegation of authority is hereby issued.

1. *Authority under section 3 (b) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to accept the reports correcting purely arithmetical errors under the provisions of section 3 (b) of Ceiling Price Regulation 34, as amended.

2. *Authority to act under sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to accept reports, establish, approve or disapprove ceiling prices or to require further information under the provisions of sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended.

3. *Authority to act under section 9 of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to disapprove or to revise proposed or established ceiling prices under the provisions of section 9 of Ceiling Price Regulation 34, as amended.

4. *Authority to act under sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to require further information or to disapprove of statements filed under the provisions of section 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.

5. *Authority to act under section 19 (b) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to establish ceiling prices under section 19 (b) of Ceiling Price Regulation 34, as amended.

This redelegation of authority shall take effect as of November 27, 1951.

PHILIP NEVILLE,
Regional Director, Region VIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14802; Filed, Dec. 10, 1951; 5:01 p. m.]

[Region VIII, Redelegation of Authority 12]

DIRECTORS OF DISTRICT OFFICES, REGION VIII

REDELEGATION OF AUTHORITY TO ACT UNDER CPR 74

By virtue of the authority vested in me as Regional Director of the Regional Office of Price Stabilization, Region VIII, pursuant to Delegation of Authority No. 32, dated November 23, 1951 (16 F. R. 11891), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the District Directors, Office of Price Stabilization, Eighth Region, to act under sections 12, 43 (a) and (b), 44 (a) and (b), 45 (a) and (b), 46, 47, 49, 50 and 60 (c) of Ceiling Price Regulation 74.

This redelegation of authority shall take effect as of November 27, 1951.

PHILIP NEVILLE,
Regional Director, Region VIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14803; Filed, Dec. 10, 1951; 5:01 p. m.]

[Region IX, Redelegation of Authority 10]

DIRECTORS OF DISTRICT OFFICES, REGION IX

REDELEGATION OF AUTHORITY TO ACT ON PRICING AND REPORTS UNDER CPR-34

By virtue of the authority vested in me as Director of the Regional Office of

Price Stabilization, Region IX, pursuant to the provisions of Delegation of Authority No. 28, dated November 16, 1951 (16 F. R. 11703), this redelegation of authority is hereby issued.

1. *Authority under section 3 (b) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to accept the reports correcting purely arithmetical errors under the provisions of section 3 (b) of Ceiling Price Regulation 34, as amended.

2. *Authority to act under sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to accept reports, establish, approve or disapprove ceiling prices or to require further information under the provisions of sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended.

3. *Authority to act under section 9 of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to disapprove or to revise proposed or established ceiling prices under the provisions of section 9 of Ceiling Price Regulation 34, as amended.

4. *Authority to act under sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to require further information or to disapprove of statements filed under the provisions of sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.

5. *Authority to act under section 19 (b) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to establish ceiling prices under section 19 (b) of Ceiling Price Regulation 34, as amended.

This redelegation of authority shall take effect as of November 21, 1951.

M. A. BROOKS,
Acting Regional Director Region IX.

DECEMBER 10, 1951.

[F. R. Doc. 51-14804; Filed, Dec. 10, 1951; 5:01 p. m.]

[Region XIII, Redelegation of Authority 3]

DIRECTORS OF DISTRICT OFFICES, REGION XIII

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS PERTAINING TO CERTAIN FOOD AND RESTAURANT COMMODITIES AND TO PROCESS INITIAL REPORTS FILED BY CERTAIN RESTAURANT OPERATORS, UNDER CEILING PRICE REGULATION 11

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XIII, pursuant to delegation of authority No. 13 (16 F. R. 6806), and pursuant to delegation of authority No. 17 (16 F. R. 8158) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to act on all applications for price action and adjustment under the provisions of section 13 of Ceiling Price Regulation 11, as amended.

2. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to process the initial reports filed under section 6 of Ceiling Price Regulation 11, and to revise food cost per dollar of sale ratio referred to in section 4 thereof.

This redelegation of authority shall be effective as of December 3, 1951.

JOHN L. SALTER,
Acting Regional Director, Office of Price Stabilization, Region XIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14800; Filed, Dec. 10, 1951; 5:00 p. m.]

[Region XIII, Redelegation of Authority 5]

DIRECTORS OF DISTRICT OFFICES, REGION XIII

REDELEGATION OF AUTHORITY TO ACCEPT REPORTS CORRECTING PURELY ARITHMETICAL ERRORS UNDER SECTION 3 (b); TO ACCEPT REPORTS AND TO ESTABLISH, APPROVE AND DISAPPROVE CEILING PRICES UNDER SECTIONS 6, 7, AND 8; TO DISAPPROVE OR REVISE PROPOSED OR ESTABLISHED CEILING PRICES UNDER SECTION 9; TO REQUIRE FURTHER INFORMATION OR TO DISAPPROVE STATEMENTS FILED UNDER SECTIONS 18 (b) AND (c); AND TO ESTABLISH CEILING PRICES UNDER SECTION 19(b) OF CEILING PRICE REGULATION 34, AS AMENDED

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XIII, pursuant to delegation of authority No. 28 (16 F. R. 11703) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to accept the reports correcting purely arithmetical errors under section 3 (b) of Ceiling Price Regulation 34, as amended.

2. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to accept reports, to establish, approve or disapprove by order ceiling prices, or to require further information under sections 6, 7 and 8 of Ceiling Price Regulation 34, as amended.

3. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to disapprove or to revise by order proposed or established ceiling prices under section 9 of Ceiling Price Regulation 34, as amended.

4. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to require further information or to disapprove of statements filed under sections 18 (b) and 18 (c) of CPR 34, as amended.

5. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to establish by order ceiling prices under section 19 (b) of Ceiling Price Regulation 34, as amended.

This redelegation of authority shall be effective as of December 3, 1951.

JOHN L. SALTER,
Acting Regional Director, Office of Price Stabilization, Region XIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14798; Filed, Dec. 10, 1951; 4:59 p. m.]

[Region XIII, Redelegation of Authority 4]

DIRECTORS OF DISTRICT OFFICES, REGION XIII

REDELEGATION OF AUTHORITY TO PROCESS REPORTS OF PROPOSED CEILING PRICE FOR SALES AT RETAIL BY RESELLERS PURSUANT TO SECTION 5 OF CEILING PRICE REGULATION 67

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XIII, pursuant to delegation of authority No. 22 (16 F. R. 10010) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Boise, Portland, Seattle and Spokane District Offices of Price Stabilization to approve, by order, pursuant to section 5 of Ceiling Price Regulation 67, a ceiling price for sales at retail proposed by a reseller under Ceiling Price Regulation 67; to disapprove, by order, such a ceiling price; to establish, by order, a different ceiling price; or to request, further information concerning such a ceiling price.

This redelegation of authority shall be effective as of November 28, 1951.

EARL C. HALD,
Acting Regional Director, Office of Price Stabilization, Region XIII.

DECEMBER 10, 1951.

[F. R. Doc. 51-14799; Filed, Dec. 10, 1951; 5:00 p. m.]

[Ceiling Price Regulation 83, Section 2, Special Order 4]

WILLYS-OVERLAND MOTORS, INC.

BASIC PRICES AND CHARGES FOR NEW PASSENGER AUTOMOBILES

Statement of considerations. A schedule of prices and charges for sellers of new passenger automobiles manufactured by Willys-Overland Motors, Inc. is established by this Special Order pursuant to section 2 of Ceiling Price Regulation 83. This section provides that the Director will establish the basic prices for new automobiles for sellers at retail and wholesale, and also establish the charges for extra, special or optional equipment for these automobiles that are sold by the manufacturer.

SPECIAL PROVISIONS

For the reasons set forth in the Statement of Considerations and pursuant to section 2 of Ceiling Price Regulation 83, this Special Order is hereby issued.

1. The basic prices, as defined in Ceiling Price Regulation 83, section 2, which retail and wholesale sellers will use in determining the ceiling prices of automobiles manufactured by Willys-Overland Motors, Inc., for the several body styles in each line or series, are as follows:

Station wagons:	
473 Station Wagon	$1,631.12
673 Station Wagon	1,708.06
4 x 473 Station Wagon	2,041.14
Passenger automobiles:	
675 DeLuxe "L" head	1,718.25
685 Super Deluxe "F" head	1,915.25
685 Custom "F" head	1,984.20

2. The charges for factory installed extra, special or optional equipment which wholesalers and retail sellers will use in determining the ceiling prices of automobiles manufactured by Willys-Overland Motors, Inc., are as follows:

Arm rests, front (passenger automobile)	$9.63
Bumper guards, rail and license tag bracket, front (473 and 673 Station Wagons)	16.75
Bumper guards, front and rear (passenger automobiles)	12.00
Cigar lighter (passenger automobiles)	2.75
Cleaner, air oil bath type (473 and 673 Station Wagons)	8.85
Clock, electric (passenger automobiles)	18.40
Directional signals (station wagons)	22.75
Directional signals (passenger automobiles)	15.50
Deluxe steering wheel and horn ring (473 station wagon)	7.15
Fresh air duct and controls, left (passenger automobiles)	7.66
Fresh air duct and controls, right (passenger automobiles)	7.81
Glove box and lock (passenger automobiles)	7.50
Heater and defroster (station wagons)	32.95
Heater and defroster (passenger automobiles)	55.00
Hood ornament (passenger automobiles)	8.80
Hub caps, large (passenger automobiles)	15.00
Oil bath air cleaner (passenger automobiles)	9.72
Oil filter (473 station wagon)	7.45
Oil filter (passenger automobiles)	7.79
Overdrive transmission (473 station wagon)	76.05
Overdrive transmission (passenger automobiles)	80.00
Radio (station wagons)	73.85
Radio (passenger automobiles)	74.25
Seat cushions, sponge rubber (passenger automobiles)	15.80
Steering wheel, chrome hub spoke and ring (passenger automobiles)	7.50
Tires, 6.40 x 15, black wall, 4-ply (passenger automobiles)	2.25
Tires, 5.90 x 15, white wall, 4-ply (passenger automobiles)	16.00
Tires, 6.40 x 15, white wall, 4-ply (passenger automobiles)	18.50
Tu-tone paint (passenger automobiles)	15.50
Vacuum booster (passenger automobiles)	5.55
Wheel trim rings (473 and 673 station wagons)	9.45
Windshield washer (passenger automobiles)	7.95
Zenith carburetor with integral velocity governor (473 and 673 station wagons) Includes Federal excise tax	$15.00

3. The prices and charges established by this Special Order do not include the Federal excise tax, except as specified. Sellers covered by this order will apply such charges to the prices and charges in accordance with section 2 of CPR 83.

4. All provisions of Ceiling Price Regulation 83 not inconsistent with this order, including the posting, invoicing, and record-keeping requirements of that regulation, remain in effect as to sales covered by this order.

5. This Special Order or any provision thereof may be revoked, suspended or amended by the Director of Price Stabilization at any time.

Effective date. This Special Order shall become effective on December 12, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

DECEMBER 10, 1951.

[F. R. Doc. 51-14747; Filed, Dec. 10, 1951; 11:03 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-1476, G-1479, G-1480, G-1481, G-1501, G-1514]

WARWICK GAS CORP. ET AL.

ORDER REOPENING PROCEEDINGS FOR THE PURPOSE OF TAKING ADDITIONAL EVIDENCE AND FIXING DATE FOR FURTHER HEARING

DECEMBER 4, 1951.

Warwick Gas Corporation, Docket No. G-1476; Bangor Gas Company, Docket No. G-1479; Citizens Gas Company, Docket No. G-1480; Pen Argyle Gas Company, Docket No. G-1481; Crystal City Gas Company, Docket No. G-1501; New River Gas Company, Docket No. G-1514.

These proceedings concern the applications filed in Docket Nos. G-1476, G-1479, G-1480, G-1501, and G-1514 for orders of the Commission under section 7 (a) of the Natural Gas Act directing certain subsidiaries of The Columbia Gas System, Inc. (Columbia)[1] to establish physical connection of their transmission facilities with proposed facilities of the several applicants in the aforesaid dockets and to deliver and sell natural gas to such applicants; and the applications filed in the aforesaid dockets and Docket No. G-1481 for certificates of public convenience and necessity pursuant to section 7 (c) of the act, as amended, authorizing the construction and operation of the necessary connecting and other facilities to enable the section 7 (a) applicants to purchase natural gas from the Columbia subsidiaries and to transport natural gas for sale by them and the other section 7 (c) applicant for ultimate public consumption.

The hearing in these consolidated proceedings, which commenced on April 2, 1951, was concluded on April 24, 1951. Main briefs were filed by the parties to the proceedings on May 23, 1951, and reply briefs on June 4, 1951. By order issued May 16, 1951, the Commission denied the motion of New River Gas Company, Applicant in Docket No. G-1514, for the omission of the intermediate decision procedure in the consolidated proceedings. These matters are now pending for initial decision.

In answers prior to hearing of the section 7 (a) applications referred to above, Columbia stated, through its subsidiaries, that it would be prepared to show its estimated gas requirements and supply situation as well as its facilities and capacities thereof that would be involved in making deliveries of natural gas, and that it anticipated abiding by any order which the Commission may deem advisable with regard to the requests of such applicants.

Subsequent to the hearing in these proceedings, on June 10 and 11, 1951, a hearing was held upon applications for certificates of public convenience and necessity filed in Docket Nos. G-1639, G-1648, G-1660, and G-1666 by certain subsidiaries of Columbia, viz. The Ohio Fuel Gas Company (Docket No. G-1639), Central Kentucky Natural Gas Company (Docket Nos. G-1648 and G-1666), and Atlantic Seaboard Corporation (Docket No. G-1660). Upon the record made therein, the Commission issued on August 27, 1951, its findings and order granting such certificates in Docket Nos. G-1639, G-1660 and G-1666, but denying the application of Central Kentucky Natural Gas Company in Docket No. G-1648, stating:

> In the case of the Cincinnati, Ohio, market proposed to be served by the facilities in Docket No. G-1648, it is our view that the record does not show that Central Kentucky has sufficient gas available to deliver the required volumes to the Cincinnati area, and that the installation of such facilities may encourage an unwarranted load growth in that area beyond Central Kentucky's ability to serve. Accordingly, we are of the opinion that the public convenience and necessity does not require the construction and operation of the facilities proposed by Central Kentucky in Docket No. G-1648.

In the consolidated proceedings at Docket Nos. G-1639, et al, Columbia's estimated gas requirements and supply situation as submitted in the proceedings at Docket Nos. G-1476, et al, were incorporated into the record by reference to the record in those proceedings.

On September 10, 1951, Central Kentucky Natural Gas Company filed an application for rehearing and modification of the aforesaid order issued on August 27, 1951, so far as Docket No. G-1648 was concerned. In such application, Central Kentucky said, among other things, that since the hearing in the aforesaid proceeding there had been further developments whereby increased quantities of natural gas would be available to meet peak-day demands during the forthcoming winter heating season over and above those theretofore shown by the record in such proceeding. Thereupon by order issued September 27, 1951, the Commission granted rehearing therein, reopened the record, and set the mat-

[1] The subsidiaries concerned are Home Gas Company in Docket No. G-1476 and G-1501, The Manufacturers Light and Heat Company in Docket Nos. G-1479 and G-1480, and Atlantic Seaboard Corporation in Docket No. G-1514.

ter down for further hearing for October 11, 1951. By order issued October 24, 1951, the Commission modified its prior order in this matter and issued a certificate of public convenience and necessity to Central Kentucky, saying:

The record in the reopened proceeding shows that revised estimates of gas requirements of and gas available to the Columbia Gas System, from which Applicant draws its entire supply of natural gas, reflect increased volumes of gas available for delivery throughout its system which will reduce an anticipated system-wide deficiency from approximately 670,000 Mcf on a peak day of February 1, 1952, estimated at the time of original hearing, to approximately 300,700 Mcf on the same peak day, * * *

The developments in the estimated gas requirements and gas-supply situation of Columbia also came to the Commission's attention in its analysis of the evidence of record in the matters of Texas Gas Transmission Company, et al., Docket Nos. G–1578, et al., in which Opinion No. 220 and accompanying order were issued on November 6, 1951.

These developments in such estimates, however, are absent from the proceedings in Docket Nos. G–1476, et al. There may be further developments in the estimated gas requirements and gas-supply situation of Columbia since the proceedings noted above.

The Commission finds:

(1) The facts relating to the estimated gas requirements of and gas-supply situation of The Columbia Gas System, Inc., in these consolidated proceedings have so changed since the hearing herein as to make it appropriate to reopen these proceedings.

(2) It is reasonable and in the public interest that the Commission, upon its own motion, should reopen these consolidated proceedings, pursuant to the provisions of section 1.33 of the Commission's rules of practice and procedure (18 CFR 1.33), for the limited purpose of taking additional evidence relating to the current estimated gas requirements of and the gas-supply situation of The Columbia Gas System, Inc., as hereinafter ordered.

The Commission orders:

(A) The proceedings in these matters be and the same hereby are reopened for further hearing for the sole purpose of taking additional evidence bearing upon the current estimated gas requirements and the gas-supply situation of The Columbia Gas System, Inc.

(B) Pursuant to authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, as amended, and the Commission's rules of practice and procedure (18 CFR, Part I), a public hearing in these reopened proceedings be held commencing on January 9, 1952, at 10:00 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue, NW., Washington, D. C.

(C) Interested State Commission may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: December 5, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14663; Filed, Dec. 11, 1951; 8:46 a. m.]

[Project No. 739]

APPALACHIAN ELECTRIC POWER CO.

NOTICE OF CONTINUANCE OF HEARING

DECEMBER 6, 1951.

Upon consideration of the request, filed December 5, 1951, by Counsel for Appalachian Electric Power Company, for postponement of the hearing now scheduled for December 19, 1951, in the above-designated matter;

Notice is hereby given that the hearing in the above-designated matter be and it is hereby continued to February 19, 1952, at 10:00 a. m., in the Commission Hearing Room, 1800 Pennsylvania Avenue, NW., Washington, D. C.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14705; Filed, Dec. 11, 1951; 8:51 a. m.]

[Project No. 1863]

PUBLIC SERVICE CO. OF COLORADO

NOTICE OF ORDER AMENDING LICENSE

DECEMBER 6, 1951.

Notice is hereby given that, on October 5, 1951, the Federal Power Commission issued its order, entered October 2, 1951, amending license (Transmission Line) in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14700; Filed, Dec. 11, 1951; 8:50 a. m.]

[Project No. 1927]

CALIFORNIA OREGON POWER CO.

NOTICE OF ORDER AMENDING LICENSE

DECEMBER 6, 1951.

Notice is hereby given that, on October 16, 1951, the Federal Power Commission issued its order entered October 9, 1951, further amending license (Major) in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14701; Filed, Dec. 11, 1951; 8:50 a. m.]

[Project No. 2067]

OAKDALE IRRIGATION DISTRICT AND SOUTH SAN JOAQUIN IRRIGATION DISTRICT

NOTICE OF ORDER ISSUING LICENSE

DECEMBER 6, 1951.

Notice is hereby given that, on August 28, 1951, the Federal Power Commission issued its order, entered August 21, 1951, issuing license (Major) in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14702; Filed, Dec. 11, 1951; 8:50 a. m.]

[Project No. 2073]

WISCONSIN MICHIGAN POWER CO.

NOTICE OF ORDER ISSUING LICENSE

DECEMBER 6, 1951.

Notice is hereby given that, on October 5, 1951, the Federal Power Commission issued its order, entered October 2, 1951, issuing license (Major) in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14703; Filed, Dec. 11, 1951; 8:50 a. m.]

[Project No. 2074]

WISCONSIN MICHIGAN POWER CO.

NOTICE OF ORDER ISSUING LICENSE

DECEMBER 6, 1951.

Notice is hereby given that, on October 16, 1951, the Federal Power Commission issued its order, entered October 9, 1951, issuing license (Major) in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51–14704; Filed, Dec. 11, 1951; 8:50 a. m.]

GENERAL SERVICES ADMINISTRATION

SECRETARY OF DEFENSE

DELEGATION OF AUTHORITY FOR DISPOSAL BY THE DEPARTMENT OF DEFENSE OF CERTAIN AIRPORT AND OTHER PROPERTIES LOCATED IN THE TERRITORY OF HAWAII

1. Pursuant to authority vested in me by the Federal Property and Administrative Services Act of 1949, as amended, I hereby delegate to the Secretary of Defense authority to dispose of the following airport and other properties located in the Territory of Hawaii, formerly included in War Assets Administration Regulation 1, Order 13, dated February 2, 1949 (14 F. R. 508):

a. Homestead Field (Molokai Airport), Island of Molokai;

b. General Lyman Field, also known as Hilo, located on the Island of Hawaii;

c. Morse Field, South Cape, Island of Hawaii;

d. Upolo Point Military Reservation, Suiter Field, North Kahala, Island of Hawaii;

e. Puolo Point Military Reservation, Burns Field, Puolo Point, Hanapepe, Island of Kauai;

f. Tract Number 2, an easement at Alewa Heights Military Reservation, Island of Oahu; and

g. Pier 5, Fort Armstrong, Honolulu.

2. In carrying out this authority, the Secretary of Defense shall dispose of this

property in accordance with the provisions of Public Buildings Service Circular No. 1, and supplements thereto, in the same manner as other property reported as excess thereunder.

3. The authority herein delegated may be redelegated to any officer or employee of the Department of Defense.

4. This delegation of authority shall be effective as of September 28, 1951.

Dated: November 30, 1951.

JESS LARSON,
Administrator.

[F. R. Doc. 51-14542; Filed, Dec. 6, 1951; 8:53 a. m.]

INTERSTATE COMMERCE COMMISSION

[Ex Parte No. 175 and Ex Parte No. 175 (Sub-No. 1)]

INCREASED FREIGHT RATES, 1951

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 3d day of December A. D. 1951.

Upon consideration of the record in these proceedings and the petition filed by the railroads, dated October 19, 1951, and the various replies thereto, and the various petitions heretofore filed for reconsideration and modification of the orders heretofore entered in these proceedings,

It is ordered, That the proceedings be set for further hearing before Division Two, with Commissioner Mahaffie added as an additional member, as hereafter determined and announced;

And it is further ordered, That notice hereof be given to the general public by depositing a copy of this order in the office of the Secretary of the Commission in Washington, and by filing a copy hereof with the Director, Division of the Federal Register.

By the Commission.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14699; Filed, Dec. 11, 1951; 8:49 a. m.]

[4th Sec. Application 26621]

CAST IRON PIPE FROM THE SOUTH TO ROCKY, COLO.

APPLICATION FOR RELIEF

DECEMBER 7, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 1191.

Commodities involved: Cast iron pipe and related articles, in carloads.

From: Producing points in Alabama, Georgia, North Carolina, and Tennessee.

To: Rocky, Colo., and intermediate points in Colorado.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: C. A. Spaninger's tariff I. C. C. No. 1191, Supp. 32.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14697; Filed, Dec. 11, 1951; 8:49 a. m.]

ADMINISTRATIVE WORKWEEK

DECEMBER 6, 1951.

By direction of the Commission and with the approval of the President, the administrative workweeks for the Commission beginning December 24 and December 31, 1951, will be from Tuesday through Saturday. For these two weeks the working days then will be Wednesday, Thursday, Friday and Saturday.

Rule 21 of the general rules of practice of the Commission provides for the manner in which time therein prescribed or allowed shall be computed. Accordingly, in computing time periods, whenever the last day of such period falls on December 24 or December 31, 1951, the period will be extended to and including December 26, 1951, and January 2, 1952, respectively.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-14698; Filed, Dec. 11, 1951; 8:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-1995]

DELAWARE POWER & LIGHT CO. AND EASTERN SHORE PUBLIC SERVICE CO. OF MARYLAND

SUPPLEMENTAL ORDER GRANTING EXTENSION OF TIME IN WHICH TO CONSUMMATE SECURITY TRANSACTIONS BETWEEN PARENT AND SUBSIDIARY

DECEMBER 6, 1951.

Delaware Power & Light Company ("Delaware"), a registered holding company, and its subsidiary, Eastern Shore Public Service Company of Maryland ("Eastern Shore"), having filed a joint application-declaration pursuant to the Public Utility Holding Company Act of 1935, particularly sections 6 (b), 9 (a), 12 (d), and 12 (f) thereof and Rules U-43 and U-44 promulgated thereunder, with respect to the issue and sale by Eastern Shore from time to time, but not later than December 31, 1951, of up to $3,000,000 principal amount of its 4 percent promissory notes due October 1, 1973, and 30,000 shares of its common stock of the par value of $100 per share, and the acquisition thereof by Delaware; and the Commission having granted and permitted the said joint application-declaration to become effective by order dated June 29, 1950; and

Applicants-declarants having filed an amendment to said joint application-declaration in which it is stated that prior to October 31, 1951, Eastern Shore issued and sold to Delaware only $2,000,000 principal amount of its 4 percent promissory notes, and 20,000 shares of its common stock heretofore authorized to be issued and sold prior to December 31, 1951, and that it appears that it will be unnecessary for Eastern Shore to issue and sell the remaining $1,000,000 principal amount of its said 4 percent promissory notes, and the remaining 10,000 shares of its common stock prior to December 31, 1951, but that it probably will be necessary for Eastern Shore to issue and sell said securities between January 1 and December 31, 1952; and the amendment further stating that an extension of time within which said securities may be issued and sold to December 31, 1952, has been authorized by order of the Public Service Commission of Maryland, dated November 7, 1951; and

The Commission having examined said amendment and having considered the record herein and deeming it appropriate in the public interest and in the interest of investors and consumers that the time within which said securities may be issued and sold be extended to December 31, 1952, and that the said joint application-declaration, as further amended, be granted and permitted to become effective:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that the said joint application-declaration, as further amended, be, and hereby is, granted and permitted to become effective forthwith subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 51-14665; Filed, Dec. 11, 1951; 8:47 a. m.]

[File No. 70-2716]

UNITED GAS CORP. ET AL.

NOTICE REGARDING THE SALE OF CERTAIN GAS PROPERTIES

DECEMBER 6, 1951.

In the matter of United Gas Corporation, United Gas Pipe Line Company, Union Producing Company, File No. 70-2716.

Notice is hereby given that United Gas Corporation ("United"), a gas utility subsidiary of Electric Bond and Share

Company, a registered holding company, and United's two wholly-owned subsidiaries, United Gas Pipe Line Company ("Pipe Line") and Union Producing Company ("Union"), have filed an application-declaration pursuant to the Public Utility Holding Company Act of 1935 and have designated section 12 thereof and Rule U-44 promulgated thereunder as applicable to the proposed transactions which are summarized as follows:

United, Pipe Line and Union propose to sell to Martin Wunderlich and Lee Aikin, non-affiliates, for a cash consideration of $5,000,001 certain gas distribution, pipeline, and production properties and related facilities, together with materials and supplies, appliances and other merchandise. The properties proposed to be sold are located in northwest Texas and southwest Oklahoma and are not connected with the remaining and principal properties of the United system.

The application-declaration states that negotiations for the sale of such properties were conducted with several prospective purchasers. The application-declaration also states that all relevant data with respect to such properties were submitted to seven prospective purchasers and such purchasers were invited to submit bids for such properties. Bids were received from three prospective purchasers, the highest of which was submitted by Wunderlich and Aikin, which was accepted by the companies.

Certain of the properties proposed to be sold are subject to the liens of United's Mortgage and Deed of Trust dated as of October 1, 1944, as supplemented, and Pipe Line's Mortgage and Deed of Trust dated as of September 25, 1944, as supplemented. The companies state that a release of these properties will be effected and the cash, if any, required to be deposited with the respective trustees will be withdrawn or applied as provided in such Mortgages and Deeds of Trust.

The applicants-declarants request that the Commission issue its order herein as promptly as may be practicable and that such order become effective forthwith upon the issuance thereof.

Notice is further given that any interested person may, not later than December 27, 1951, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues, if apy, of fact or law raised by said application-declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after December 27, 1951, at 5:30 p. m., e. s. t., said application-declaration as filed, or as amended, may be permitted to become effective as provided by Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof. All interested persons are referred to said application-declaration which is on file with the Commission for a statement of the transactions therein proposed.

It is ordered, That this notice be served by registered mail on the municipalities of Acme, Burkburnett, Childress, Chillicothe, Dodson, Iowa Park, Jean, Kirkland, Loco, Lutie, Memphis, New Castle, Quannah, Samnorwood, Vernon, Wellington, and Wichita Falls, Texas.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 51-14666; Filed, Dec. 11, 1951; 8:47 a. m.]

[File No. 70-2724]

CENTRAL MAINE POWER CO.

SUPPLEMENTAL ORDER AUTHORIZING ISSUANCE AND SALE OF BONDS AND COMMON STOCK

DECEMBER 6, 1951.

Central Maine Power Company ("Central Maine"), a public utility subsidiary of New England Public Service Company ("NEPSCO"), a registered holding company, having filed an application, and amendments thereto, pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935 ("act") and Rule U-50 promulgated thereunder, regarding the issuance and sale, at competitive bidding, of $7,000,000 principal amount of First and General Mortgage Bonds, Series T, __percent, due 1981, and 315,146 additional shares of common stock, $10 par value, such stock to be offered first on warrants to holders of the company's outstanding common stock and 6 percent preferred stock for subscription under their statutory preemptive rights, and NEPSCO having waived its preemptive right to purchase 150,740 shares of the new stock; and

The Commission having, by order dated November 21, 1951, granted said application, as amended, subject to the condition, among others, that the proposed sales of bonds and common stock by Central Maine should not be consummated until the results of competitive bidding, pursuant to Rule U-50, and a final order of the Public Utilities Commission of Maine approving same, should have been made a matter of record in this proceeding and a further order entered by this Commission in the light of the record so completed; and

Central Maine having, on December 6, 1951, filed a further amendment to its application setting forth the action taken by it to comply with the requirements of Rule U-50 and stating that, pursuant to the invitation for competitive bids with respect to the bonds and common stock, the following bids were received:

FOR THE BONDS

Bidder	Annual interest rate (percent)	Price to company [1] (percent of principal)	Annual cost to company (percent)
Halsey, Stuart & Co., Inc.	3⅝	101.14	3.5628
The First Boston Corp. and Coffin & Burr, Inc.	3⅝	100.1499	3.6168
Blyth & Co., Inc., Kidder, Peabody & Co., and W. E. Hutton & Co.	3¾	102.278	3.6248
Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co.	3¾	102.219	3.6280
Salomon Bros. & Hutzler	3¾	101.958	3.6422
Harriman Ripley & Co., Inc.	3¾	101.151	3.6863

[1] Exclusive of accrued interest from November 1, 1951.

FOR THE COMMON STOCK

Bidder	Price per share to company	Compensation to underwriters		Net per share to company
		Aggregate	Per share	
The First Boston Corp. and Coffin & Burr, Inc.	$17.625	$307,582.50	$0.976	$16.649
Harriman Ripley & Co., Inc.	17.50	296,237.24	.94	16.56
Blyth & Co., Inc., and Kidder, Peabody & Co.	16.875	393,932.00	1.25	15.62

The amendment further stating that Central Maine has accepted the bid of Halsey, Stuart & Co., Inc., for the bonds, as set forth above, and that the bonds will be offered for sale to the public at a price of 101.749 percent of their principal amount, plus accrued interest from November 1, 1951, resulting in an underwriting spread of 0.609 percent of the principal amount of the bonds, or an aggregate of $42,630, and that the company has accepted the bid of The First Boston Corporation and Coffin & Burr, Incorporated, for the common stock, as set forth above, wherein the underwriters have agreed to underwrite the issue and to purchase all unsubscribed shares at the subscription price of $17.625 per share, less compensation of $307,582.50 or $0.976 per share, resulting in $16.649 per share net to the company; and

The amendment also including a copy of the supplemental order of the Public Utilities Commission of Maine authorizing the issuance and sale of the bonds and common stock at the prices and terms under which the company proposes to issue and sell said securities, as aforesaid; and

The Commission having examined said amendment and having considered the record herein and finding no basis for imposing terms and conditions with respect to the price to be received for said bonds, the redemption prices thereof, the interest rate thereon, or the underwriter's spread; and the Commission likewise finding no basis for imposing terms and conditions with respect to the price to be received for said common stock and the compensation to be paid to the underwriters; and

It appearing that the record before the Commission with respect to the fees and expenses incurred or to be incurred in connection with the proposed transactions is incomplete, and that the jurisdiction heretofore reserved over all fees and expenses should be continued:

It is ordered, That the jurisdiction heretofore reserved with respect to the matters to be determined as a result of competitive bidding, pursuant to Rule U-50, in connection with the sales of bonds and common stock be, and the same hereby is, released, and the said application, as further amended, be, and and the same hereby is, granted, effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

It is further ordered, That the jurisdiction heretofore reserved over the payment of all fees and expenses incurred or to be incurred in connection with the proposed transactions be, and the same hereby is, continued.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 51-14667; Filed, Dec. 11, 1951; 8:47 a. m.]

[File No. 70-2727]

CITIES SERVICE CO.

NOTICE OF PROPOSED SALE OF COMMON STOCK OF A PUBLIC UTILITY COMPANY BY A REGISTERED HOLDING COMPANY TO NON-AFFILIATES

DECEMBER 6, 1951.

Notice is hereby given that a declaration has been filed with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("act"), by Cities Service Company, a registered holding company. Declarant has designated section 12 (d) of the act and Rule U-44 promulgated thereunder as applicable to the proposed transaction.

Notice is further given that any interested person may, not later than December 19, 1951, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said declaration, which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after December 19, 1951, said declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

All interested persons are referred to said declaration, which is on file in the offices of this Commission, for a statement of the transaction therein proposed, which is summarized as follows:

Cities Service Company proposes to sell all of the outstanding capital stock, consisting of 10,000 shares of no par common stock, of Spokane Gas & Fuel Company, a gas utility company operating in Spokane, Washington, to Ray C. Fish, acting on behalf of himself and certain other persons, none of whom are affiliated with Cities Service Company, for $300,000 in cash, pursuant to the terms of an agreement dated October 8, 1951. Declarant states that the expenses to be incurred in connection with the proposed transaction will amount to approximately $8,500 including counsel fees in the amount of $7,500.

Cities Service Company states that the proposed sale of such common stock will be in compliance with the requirements of the order of the Commission dated May 5, 1944, issued under section 11 (b) (1) of the act, as modified by supplemental order dated October 12, 1944, directing Cities Service Company, among other things, to dispose of its interest in Spokane Gas & Fuel Company and therefore requests that the order of the Commission permitting the declaration to become effective contain the recitals, specifications and itemizations required by section 1808 (f) of the Internal Revenue Code, as amended. The declarant requests that the Commission's order herein become effective upon issuance.

It is represented that no State commission or any other Federal Commission has jurisdiction over the proposed transaction.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 51-14668; Filed, Dec. 11, 1951; 8:47 a. m.]

[File No. 812-754]

TRI-CONTINENTAL CORP. ET AL.

NOTICE OF APPLICATION

DECEMBER 7, 1951.

In the matter of Tri-Continental Corporation, Union Service Corporation, and Union Securities Corporation; File No. 812-754.

Notice is hereby given that Tri-Continental Corporation (hereinafter called Tri-Continental) on behalf of itself and of Union Service Corporation (hereinafter called Service) and Union Securities Corporation (hereinafter called Union), all of 65 Broadway, New York, City, N. Y., and also on behalf of the Participating Companies hereinafter named to the extent that they may be affected, has filed an amended application pursuant to section 6 (c) of the Investment Company Act of 1940 and Rule N-17D-1 adopted thereunder, for an order of the Commission exempting from the provisions of Rule N-17D-1 under said act the payment of certain discretionary bonuses to officers and employees of Service and Union.

It appears from the application that Service is a mutual non-profit service organization, furnishing investment research and administrative services at cost to Tri-Continental, Capital Administration Company Ltd., Broad Street Investing Corporation, National Investors Corporation and Whitehall Fund (all of which are registered investment companies in the so-called Tri-Continental Group) as well as to Globe and Rutgers Fire Insurance Company and its two subsidiaries, American Home Fire Assurance Company and The Insurance Company of the State of Pennsylvania (all of whom are hereinafter called the Participating Companies). All the capital stock of Service is owned by the various Participating Companies; its board of directors is composed of representatives of Participating Companies; and the net cost of its operations is borne pro-rata by each of the Participating Companies on the basis of the value of their respective investment assets. Service has no other source of income and, therefore, bonuses paid by it to its officers and employees are in effect a direct pro-rata charge to each of the Participating Companies. Of the 76 officers and employees receiving compensation from Service, three are "affiliated persons" of Tri-Continental or other investment companies in the Tri-Continental Group, and consequently, any bonuses paid by Service would be subject to the provisions of Rule N-17D-1. However, since Service has no "net income" as such, it cannot pay bonuses under the provisions of the rule unless it is permitted to do so by order of the Commission pursuant to an application. The application requests that Service be permitted to pay bonuses through pro-rata contributions by each of the Participating Companies, such contributions to be charged proportionately to and to be deemed a part of the bonus payments which may be paid by the five investment companies in the Tri-Continental Group under Rule N-17D-1.

It appears further from the application that Union Securities Corporation is a company of the character described in section 12 (d) (3) (A) and (B) of the act, is engaged in the business of underwriting and distributing securities, and is a wholly-owned subsidiary of a registered investment company (Tri-Continental). The application asserts that Union has 133 full-time and part-time employees and that five of its officers and/or directors who normally receive bonuses from Union are presently also officers and/or directors, and therefore affiliated persons, of Tri-Continental. Under these circumstances, any bonuses paid by Union Securities to its personnel would be subject to the provisions of Rule N-17D-1. The application further asserts that Union Securities follows the practice of holding fixed salaries of its personnel at a level below the probable total yearly compensation, with discretionary salary or bonus payments made at the end of each year as dictated by various factors, including current competitive rate for comparable service, individual merit recognition, etc. In each of the past five years the aggregate amount of all bonus payments made by Union Securities to its officers and employees has exceeded the measure of five per cent of net income permissive under the present rule. The application requests an order permitting the payment of discretionary bonuses by Union in fiscal year 1951 to the extent that the aggregate amount of discretionary bonuses

so paid during such fiscal year by Tri-Continental (including Tri-Continental's proportionate share of bonuses paid by Service) and by Union does not exceed 5 percent of the consolidated net income of Tri-Continental (computed in accordance with paragraph (c) (2) of the rule) and Union (computed in accordance with Article V of Regulation S-X of the rules and regulations of the Commission) for such fiscal year, provided that any such bonuses paid by Union are paid only out of earnings for the fiscal year 1951 and in the aggregate are not in excess of $175,000.

Section 6 (c) of the act provides, inter alia, that the Commission may exempt by order upon application, conditionally or unconditionally, any transaction from any provision of the act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the act.

For a more detailed statement of the matters of fact and law asserted, all persons are referred to said application on file in the offices of the Commission in Washington, D. C.

Notice is further given that an order granting the application in whole or in part and upon such conditions as the Commission may deem necessary or appropriate, may be issued by the Commission on or at any time after December 27, 1951, unless prior thereto a hearing upon the application is ordered by the Commission as provided in Rule N-5 of the rules and regulations promulgated under the act. Any interested person may submit to the Commission in writing, not later than December 26, 1951, at 5:30 p. m., e. s. t., his views or any additional facts bearing upon this application or the desirability of a hearing thereon, or request the Commission in writing that a hearing be held thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., and should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reasons for such request, and the issues of fact or law raised by the application which he desires to controvert.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 51-14695; Filed, Dec. 11, 1951; 8:49 a. m.]

[File No. 812-755]

NORTH AMERICAN SECURITIES CO. ET AL.

NOTICE OF APPLICATION

DECEMBER 6, 1951.

In the matter of North American Securities Company, North American Investment Corporation, Commonwealth Investment Company; File No. 812-755.

Notice is hereby given that North American Securities Company (Applicant), 2500 Russ Building, San Francisco 4, California, has filed an application under Rule N-17D-1 of the general rules and regulations under the Investment Company Act of 1940 regarding the practice of Applicant (and North American Investment Corporation, the predecessor employer of Applicant's personnel) of paying each year at Christmas time one-half of one month's salary to each and all of its employees. Employees with less than a full year's service receive such part of one-half of one month's salary as is proportionate to the number of months of employment to the year in question.

Applicant is a wholly-owned subsidiary and the investment adviser of North American Investment Corporation, a registered closed-end management investment company, and it is the underwriter and investment adviser of Commonwealth Investment Company, a registered open-end management investment company. Applicant has approximately 48 employees, all of whom will be eligible to receive the payment mentioned above. Seven of the employees are affiliated persons, as officers or directors, of North American Investment Corporation or Commonwealth Investment Company, or of both companies. Applicant's personnel formerly were employed by its parent, North American Investment Corporation, which now has no paid employees. For the past six years Applicant's personnel have received a Christmas bonus on the basis stated above.

The total amount of the payments proposed to be made in December 1951, to the employees of Applicant will be approximately $7,500. The proposed payments will exceed 5 percent of the net income of Applicant but will be far less than 5 percent of the net income of the subsidiary Applicant and its parent, North American Investment Corporation, plus net gain realized on investments.

The proposed payments by Applicant do not fall within the exceptions provided in Rule N-17D-1, therefore Applicant may not make the proposed payments unless the Commission grants the application by order.

All persons are referred to said application which is on file in the Washington, D. C. office of the Commission for a more detailed statement of the matters of fact and law therein asserted.

Notice is further given that an order granting the application may be issued by the Commission at any time on or after December 19, 1951, unless prior thereto a hearing upon the application is ordered by the Commission as provided by Rule N-5 of the rules and regulations promulgated under the act. Any interested person may, not later than December 18, 1951, at 5:30 p. m., e. s. t., submit to the Commission in writing his views or any additional facts bearing upon this application or the desirability of a hearing thereon, or request in writing that the Commission order a hearing to be held thereon. Any such communication or request should be addressed: Secretary of the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., and should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reasons for such request, and the issues of fact or law raised by the application which he desires to contravert.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 51-14664; Filed, Dec. 11, 1951; 8:46 a. m.]

SMALL DEFENSE PLANTS ADMINISTRATION

ORGANIZATIONAL STATEMENT

CENTRAL OFFICE

Sec.
1. Establishment.
2. Functions of the Administration.
3. Internal organization.
4. Availability of orders and policy statements.
5. Availability of official records.
6. Where information may be received or requests made.

SECTION 1. *Establishment.* The Small Defense Plants Administration was established pursuant to section 714 of the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong.; Pub. Law 96, 82d Cong.).

SEC. 2. *Functions of the Administration.* The powers, duties, and responsibilities of the Administration are prescribed by section 714 of the Defense Production Act of 1950, as amended. Among its primary functions are encouraging the most effective utilization of the productive capacity of small-business concerns in defense and essential civilian production, insuring that such concerns shall receive a fair share of allocated materials, and recommending to the Reconstruction Finance Corporation loans to small concerns for the purposes specified in the Act. The Administration is under the general direction and supervision of the President and is not affiliated with any other agency or department of the Federal Government.

SEC. 3. *Internal organization.* There are in the Small Defense Plants Administration:

(a) An Administrator of the Small Defense Plants Administration, hereinafter referred to as the Administrator, who is responsible for directing and supervising execution of the functions vested in the Administration.

(b) Two Deputy Administrators who assist the Administrator in the execution of the functions vested in the Administration.

(c) An Office of the General Counsel which is responsible for the direction and supervision of all legal activities of the Administration and for providing legal counsel to the Administrator and all officials of the Administration, and for the performance of external liaison on legal matters.

(d) An Office of the Assistant Administrator which shall advise the Administrator and consult with operating

officials on the development of basic policies, programs, plans and procedures. The Office of the Assistant Administrator shall also direct and coordinate personnel, organization, management, budget, finance, administrative services and related programs for the Administration.

(e) An Office of Contract Procurement which shall develop and direct the procurement assistance programs and the administration of prime contracts.

(f) An Office of Materials which shall develop and direct the materials, equipment and facilities assistance programs of the Administration.

(g) An Office of Loans which shall develop and direct the financial assistance policies and programs of the Administration.

(h) An Office of Business Assistance which shall develop and direct the programs of technical and management aids to small business and which shall act upon individual requests for procurement and materials assistance.

(i) An Office of Field Operations which shall develop and direct regional and other field office operations and which shall be responsible for the development and direction of operating policies and procedures of regional and field offices.

(j) An Office of Programs and Economic Analysis which shall conduct economic studies and develop and direct the economic policy, program planning and reporting, for the Administration.

(k) An Office of Information which shall prepare, direct and coordinate all informational material to keep the public informed of the activities of the Administration.

SEC. 4. *Availability of orders and policy statements.* All final orders and policy statements issued by the Administrator of general applicability, except such as are required for good cause to be held confidential, shall be available for public inspection at the office of the Small Defense Plants Administration.

SEC. 5. *Availability of official records.* Except as otherwise required by law, copies of, and information from, official records of the Small Defense Plants Administration, except such as are held confidential for good cause found, shall be made available to persons properly and directly concerned.

SEC. 6. *Where information may be received or requests made.* Any person desiring information relative to a matter within the jurisdiction of the Small Defense Plants Administration or any person desiring to make a submittal or a request in connection with such a matter should communicate with the Administration. Communications should be addressed to the Small Defense Plants Administration, 1337 E Street NW., Washington 25, D. C.

TELFORD TAYLOR,
Small Defense Plants Administrator.

DECEMBER 10, 1951.

[F. R. Doc. 51-14824; Filed, Dec. 11, 1951; 10:29 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order 18651]

ARTHUR ECKOLDT AND HEINRICH KROMPHOLZ

In re: Interests in oil, gas and other minerals in and under certain real property owned by Arthur Eckoldt and Heinrich Krompholz. F-28-9607.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR, 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Arthur Eckoldt and Heinrich Krompholz, each of whose last known address is Germany, on or since December 11, 1941, and prior to January 1, 1947 were residents of Germany and are, and prior to January 1, 1947 were, nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. An undivided three-eightieths (3/80ths) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of Section Fourteen (14) Township Seven North (7 N), Range Six East (6 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest,

b. An undivided one-fortieth (1/40th) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Southeast Quarter (SE¼) of the Northwest Quarter (NW¼) of Section Eighteen (18), Township Nine North (9 N), Range Six East (6 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest,

c. An undivided one-fortieth (1/40th) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section Eighteen (18), Township Nine North (9 N), Range Six East (6 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest,

d. An undivided one-eightieth (1/80th) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of Section Twenty-four (24), Township Nine North (9 N), Range Five East (5 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest, and

e. An undivided eight-three hundred fifteenths (8/315ths) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Thirteen, Township Six North (6 N), Range Seven East (7 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Arthur Eckoldt, the aforesaid national of a designated enemy country (Germany);

3. That the property described as follows:

a. An undivided three-eightieths (3/80ths) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of Section Twenty-four, Township Nine North (9 N), Range Five East (5 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest, and

b. An undivided two-three hundred fifteenths (2/315ths) interest in and to all of the oil, gas and other minerals in and under and that may be produced from those certain lands situated in County of Seminole, State of Oklahoma, particularly described as follows: The Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Thirteen (13), Townships Six (6), Range Seven East (7 E), together with any and all claims for rents, refunds, royalties, benefits or other payments arising from the ownership of such interest,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Heinrich Krompholz, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

4. That the national interest of the United States requires that such persons be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, subject to recorded liens, encumbrances and other rights of record held by or for persons who are not nationals of a designated enemy country, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14712; Filed, Dec. 11, 1951; 8:53 a. m.]

[Vesting Order 18652]

SHIZU (SHIZUKO) ASAMI

In re: Rights of Shizu (Shizuko) Asami under insurance contract. File No. F-39-2366-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Shizu (Shizuko) Asami, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by Policy No. 594441 issued by the General American Life Insurance Company, St. Louis, Missouri, to Shoichi Asami, together with the right to demand, receive and collect said net proceeds, is property within the United States, owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Shizu (Shizuko) Asami, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14713; Filed, Dec. 11, 1951; 8:53 a. m.]

[Vesting Order 18653]

CHIYE (CHIEKO) HORI

In re: Rights of Chiye (Chieko) Hori under Insurance Contract. File No. F-39-2498-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Mrs. Chiye (Chieko) Hori, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due Mrs. Chiye (Chieko) Hori under a contract of insurance evidenced by Policy No. 73380 issued by the West Coast Life Insurance Company, San Francisco, California, to Aijiro Hori, together with the right to demand, receive and collect said net proceeds, is property within the United States, owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Mrs. Chiye (Chieko) Hori, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14714; Filed, Dec. 11, 1951; 8:53 a. m.]

[Vesting Order 18654]

KATIE GEISSELBRECHT ET AL.

In re: Katie Geisselbrecht vs. Nora Roberts et al. File No. D-28-9053; E. T. sec. 11591.

Under the authority of the Trading With the Enemy Act, as amended, (50 U. S. C. App. and Supp. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Johann Christian Murlock, Christiane C. Schuhmacher, Wilhelm F. Morlock, Sophie Saier, Christian Karl Morlock, Sophie F. Mamber, Engelhard Morlock, Friederike Zeitter, and Sophia Bains, whose last known address is Germany, on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany and are, and prior to January 1, 1947, were, nationals of a designated enemy country (Germany);

2. That the sum of $773.07 being a portion of certain monies paid to the Clerk of the Vigo Circuit Court, Indiana, and held by him, pursuant to an order of the Superior Court of Vigo County No. Two, Indiana, in a partition suit entitled Katie Geisselbrecht vs. Nora Roberts et al., and all increments thereto, subject, however, to all lawful fees and expenses of said Clerk, is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that such persons be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14715; Filed, Dec. 11, 1951; 8:53 a. m.]

[Vesting Order 18655]

KOZO KARASAWA

In re: Stock owned by Kozo Karasawa. D-39-19336-D-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kozo Karasawa, whose last known address is Matsuba, Matsuyama, Saitama-ken, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: One (1) share of $100.00 par value 7 percent Participating Preferred Stock, of the Oregon-Washington Bridge Company (in liquidation), 301 Security Building, Olympia, Washington, evidenced by a certificate numbered 369, registered in the name of Kozo Karasawa, together with all declared and unpaid dividends thereon and any and all rights under a plan of liquidation.

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14716; Filed, Dec. 11, 1951; 8:53 a. m.]

[Vesting Order 18656]

LEIPZIGER MESSAMT

In re: Debt owing to Leipziger Messamt. D-28-1173.

Under the authority of the Trading With the Enemy Act, as amended, (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Leipziger Messamt, the last known address of which is Leipzig, Germany, is a corporation, partnership, association, or other business organization which on or since December 11, 1941, and prior to January 1, 1947, was organized under the laws of and had its principal place of business in Germany and is, and prior to January 1, 1947, was, a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Leipziger Messamt, by Leipzig Trade Fair, Inc., c/o Office of Alien Property, 120 Broadway, New York, New York, in the amount of $5,898.67, representing remittances received by Leipzig Trade Fair, Inc., from Leipziger Messamt, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Leipziger Messamt, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that such person be treated as a person who is and prior to January 1, 1947, was a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14717; Filed, Dec. 11, 1951; 8:54 a. m.]

[Vesting Order 18657]

KURT LUPSCHUTZ

In re: Debt owing to Kurt Lupschutz. D-66-2280-D-1.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Kurt Lupschutz, whose last known address is 25 Unter den Linden, Berlin W. 8, Germany, on or since December 11, 1941, and prior to January 1, 1947, was a resident of Germany and is, and prior to January 1, 1947, was, a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Kurt Lupschutz, by United States Steel Corporation, 71 Broadway, New York 6, New York, arising out of dividends on stock of the aforesaid corporation, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Kurt Lupschutz, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that such person be treated as a person who is and prior to January 1, 1947, was a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14718; Filed, Dec. 11, 1951; 8:54 a. m.]

[Vesting Order 18659]

SOSABURO TACHIBANA

In re: Bonds owned by Sosaburo Tachibana. F-39-4118-A-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Sosaburo Tachibana, whose last known address is Hyaku-Cho, Kamimore-Mura, Ama-Gun, Aichi-Ken,

Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: Those certain bearer bonds described in Exhibit A, attached hereto and by reference made a part hereof, presently in the custody of Mrs. Kichitaro Mutow, 2943 East 2d Street, Los Angeles, California, together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Sosaburo Tachibana, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

EXHIBIT A

Name and address of issuer	Type	Certificate No.
Tokyo Electric Light Co., Ltd., Tokyo, Japan	First gold 6's of 1928 (dollar series) due 1953, each of $1,000 face value.	8398 21006 26026 34193 38905 44715 45025 45448 47417 47418 54389 54390 57299 67732 68062
Shinyetsu Electric Power Co., Japan	Sinking fund gold 6½'s, due 1952, each of $1,000 face value.	3239 3260
Imperial Government of Japan, Tokyo, Japan	External sinking fund 5½'s (U. S. issue) of May 1, 1930, due May 1, 1965, of $1,000 face value.	19020

[F. R. Doc. 51-14720; Filed, Dec. 11, 1951; 8:54 a. m.]

[Vesting Order 18660]

S. TSUTAKAWA

In re: Debt owing to S. Tsutakawa. F-39-1753-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That S. Tsutakawa, whose last known address is Kobe, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation of The Sumitomo Bank of Seattle, in Liquidation, Federal Office Building, San Francisco 2, California, representing a credit balance on the Suspense Account Ledger, in the name of S. Tsutakawa, and identified on the books and records of Sumitomo Bank as "Rec. No. 2430", together with any and all accruals to the aforesaid debt or other obligation, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14721; Filed, Dec. 11, 1951; 8:54 a. m.]

[Vesting Order 18211, Amdt.]

E. NILSSON

In re: Securities owned by E. Nilsson, also known as Emil Nilsson.

Vesting Order 18211, dated July 20, 1951 is hereby amended as follows and not otherwise:

a. By deleting from subparagraph 2a of said Vesting Order 18211, the certificate number "VH 932339" and substituting therefor the certificate number "VH 392339",

b. By deleting from subparagraph 2g of said Vesting Order 18211 the name "Mid-Continental Petroleum Corporation" and substituting therefor the name "Mid-Continent Petroleum Corporation."

All other provisions of said Vesting Order 18211 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14724; Filed, Dec. 11, 1951; 8:55 a. m.]

[Vesting Order 18197, Amdt.]

WILHELMINA MOSER

In re: Stock owned by Wilhelmina Moser.

Vesting Order 18197, as amended, dated July 16, 1951, is hereby further amended as follows and not otherwise:

a. By deleting from subparagraph 2a the certificate number "52" and substituting therefor the certificate number "59";

b. By deleting from subparagraph 2a the address "1344-1354 Atlgeld Street" set forth with respect to the Cullman Wheel Company and substituting therefor the address "1344-1354 Altgeld Street".

All other provisions of said Vesting Order 18197, as amended and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 5, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-14725; Filed, Dec. 11, 1951; 8:55 a. m.]